UNITED STATES INTERNATIONAL TRADE COMMISSION

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NEWS

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USITC 78-112

USITC FINDS U.S. INDUSTRY BEING INJURED BY IMPORTS OF RAYON STAPLE FIBER FROM BELGIUM SOLD AT LESS THAN FAIR VALUE

The United States International Trade Commission today reported to the Secretary of the Treasury its determination, by a 3-to-2 vote, that a domestic industry is being or is likely to be injured by reason of the importation of rayon staple fiber from Belgium. In May 1978, the Treasury Department determined that the product was being sold in the United States at less than fair value.

Chairman Joseph O. Parker and Commissioners George M. Moore and Catherine Bedell concurred in the determination. Vice Chairman Bill Alberger and Commissioner Italo H. Ablondi dissented. Commissioner Daniel Minchew did not participate.

Rayon staple fiber is a manmade fiber resembling raw or unprocessed cotton, generally spun into yarn and then used in wearing apparel, home furnishings, and certain nonwovens such as disposable diapers. The domestic producers of rayon staple are Avtex Fibers, American Enka, and Courtaulds. Manufacturing facilities are located in Alabama, North Carolina, Virginia, and West Virginia. Beaunit Corp., the last U.S. firm to discontinue production, left the industry in 1971.

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During 1973-75 there was a sharp deterioration in employment, production, profitability, and capacity utilization in the industry. Employment, production, and capacity utilization increased somewhat in 1976 and 1977, partly because of a large increase in U.S. exports and inventories. However, the financial performance of the U.S. producers, which staged a mild recovery in 1976, fell into a loss position during 1977 and January-March 1978.

The ratio of U.S. imports of all rayon staple fiber from Belgium to apparent consumption was negligible during 1973-76. The ratio increased to 1.4 percent in 1977. The total market share held by U.S. imports increased from 8.7 percent in 1976 to 11.3 percent in 1977, entirely because of increased U.S. imports from Belgium, Sweden, France, and Finland. U.S. imports from Belgium were negligible during 1973-76, and then increased to 6.5 million pounds in 1977.

The Commission's report, Rayon Staple Fiber From Belgium (USITC Publication 914), contains the views of the Commissioners and information developed during the investigation (No. AA1921-186). Copies may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street, NW., Washington, D.C. 20436.

IV

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-186]

RAYON STAPLE FIBER FROM BELGIUM

Determination of Injury or Likelihood of Injury

On May 2, 1978, the United States International Trade Commission received advice from the Department of the Treasury (43 F.R. 18619 (May 1, 1978)) that rayon staple fiber from Belgium is being, or is likely to be sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on May 15, 1978, the Commission instituted investigation No. AA1921-181 under section 201(a) of the act to determine whether an industry in the United States is being, or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register of May 19, 1978 (43 F.R. 21740). On June 20, 1978, a hearing was held in Washington, D.C., at which time all interested persons were provided the opportunity to appear by counsel or in person.

On July 21, 1978, the Commission was advised by Treasury that it had reconsidered the basis for its fair-value comparisons of rayon staple fiber from Belgium (43 F.R. 32915 (July 28, 1978)). As a result of its reconsideration, Treasury modified its determination of May 2, 1978, such that the weighted average LTFV margin increased from 6.7 percent to 57.6 percent. Having received new and substantially different advice from Treasury, the Commission took the following actions:

1. Terminated investigation No. AA1921-181 without any determination because of the intervening advice of the Treasury;

2. Instituted the instant investigation (No. AA1921-186) to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of rayon staple fiber from Belgium into the United States; and

3. Determined that there did not appear to be good and sufficient reasons for holding a public hearing in investigation No. AA1921-186 because the written statements and transcript of the hearing from the prior investigation remained relevant to the Commission's determination in the new investigation. Nevertheless, in accordance with 19 C.F.R. 208.4, the Commission allowed any interested persons to submit a request for a public hearing in investigation No. AA1921-186. No such requests were received and a new public hearing was not held.

Notice of the termination of investigation No. AA1921-181 and the institution of investigation No. AA1921-186 was published in the Federal Register of August 8, 1978 (43 F.R. 35122).

On the basis of its investigation the Commission determines (Vice Chairman Alberger and Commissioner Ablondi dissenting and Commissioner Minchew not participating) that an industry in the United States is being or is likely to be injured by reason of the importation of rayon staple fiber from Belgium, which is being, or is likely to be, sold at LTFV within the meaning of the Antidumping Act, 1921, as amended.

In arriving at its determination, the Commission gave due consideration to all written submissions from interested parties and information adduced at the hearing as well as information provided by the Department of the Treasury and data obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

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STATEMENT OF REASONS FOR THE AFFIRMATIVE DETERMINATION OF CHAIRMAN JOSEPH O. PARKER AND COMMISSIONERS GEORGE M. MOORE AND CATHERINE BEDELL

On May 2, 1978, the United States International Trade Commission received advice from the Secretary of the Treasury (Treasury) that rayon staple fiber from Belgium is being, or is likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on May 15, 1978, the Commission instituted investigation No. AA1921-181 under section 201(*a*) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, 1/ by reason of the importation of such merchandise sold at LTFV into the United States.

On July 21, 1978, the Commission received new and substantially different advice from the Secretary of the Treasury. The Secretary stated that he had reconsidered the basis for his fair-value comparisons relating to rayon staple fiber from Belgium. The earlier determination was modified, and the average weighted LTFV margin was increased from 6.7 to 57.6 percent. Therefore, on July 25, 1978, the Commission terminated investigation No. AA1921-181 without any determination and instituted a new investigation (AA1921-186) to determine whether an industry in the United States is being or is likely to be injured by reason of the importation of such merchandise into the United States.

1/ Prevention of the establishment of an industry is not an issue in this investigation and will not be discussed further.

Determination

On the basis of the information obtained in the investigation, we determine that an industry in the United States is being injured or is likely to be injured by reason of the importation of rayon staple fiber from Belgium, which the Secretary of the Treasury determined is being, or is likely to be, sold at LTFV.

The imported article and the domestic industry

Rayon staple fiber, the subject of this investigation, is a manmade textile fiber. It is spun into yarn and then either woven or otherwise processed into a variety of end-use products. In this investigation we considered the relevant domestic industry to consist of the facilities in the United States devoted to the production of rayon staple fiber. Three U.S. firms currently produce rayon staple fiber.

LTFV sales

U.S. imports from Belgium, which were negligible during 1973-76, increased to 6.5 million pounds in 1977. Such imports totaled 1.4 million pounds during January-March 1978. Price comparisons made by the Secretary of the Treasury for the period February 1, 1977,-July 31, 1977, revealed that 100 percent of the rayon staple exported to the United States from Belgium was sold at LTFV, with a margin of 57.6 percent.

Injury or likelihood of injury by reason of LTFV sales

The information obtained in the investigation shows that the domestic industry suffered injury during 1977 by reason of LTFV sales. In 1976, one year prior to the LTFV sales in the U.S. market, the domestic industry

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recovered from the 1975 recession and earned $7.6 million net operating profit. This changed abruptly in 1977 when the domestic industry registered a $1.7 million net operating loss. In 1978 the financial difficulties of the domestic industry accelerated, and it lost nearly $3.0 million during January-March alone. U.S. domestic shipments of rayon staple fiber declined from 433 million pounds in 1976 to 424 million pounds in 1977. U.S. producers accumulated large inventories in 1977, increasing from 24.2 million pounds on December 31, 1976, to 47.3 million pounds on December 31, 1977, or by 95 percent.

The entry of Belgian rayon staple into the U.S. market in 1977 caused the domestic industry to lose sales. The effect of such imports might have been less consequential had U.S. consumption increased sufficiently to give both U.S. producers and importers a larger market in which to grow. However, in a declining or stagnant market which existed in 1977, increased import penetration was gained almost entirely at the expense of the domestic industry. With the rapid development of other manmade fibers, U.S. consumption of rayon staple declined from 890 million pounds in 1968 to 711 million pounds in 1973, and then fell to 391 million pounds in 1975. Consumption recovered somewhat in 1976 to 475 million pounds and remained virtually unchanged in 1977.

The sole U.S. importer of Belgian rayon staple sold rayon staple to three textile mills during the period January 1977-March 1978. In 1976 these firms purchased virtually all of their commodity rayon staple from a U.S. producer. During 1977 the bulk of these firms' purchases of such staple were supplied by LTFV imports from Belgium. This investigation disclosed that the importer undersold U.S. producers during the period

January-September 1977 and that price was an important factor influencing the decisions of these textile mills to purchase imports.

The importer's pricing policy not only resulted in lost sales to the domestic industry, but it also contributed to the suppression of U.S. producers' prices. During January-June 1977 Belgian fiber entered the U.S. market selling at a price well below the average domestic price. In March 1977 the largest U.S. producer of rayon staple fiber announced that it would be increasing its list price from $.58 per pound to $.61 per pound, effective May 1977. A second U.S. producer announced a similar increase in list price. By mid-1977 the average domestic transaction price registered about $.574, reflecting a $.02 per pound increase since October-December 1976. This price difference influenced some U.S. textile mills to shift to imports and forced U.S. producers, in an effort to retain market share, to reduce their prices. By October-December 1977 the U.S. producers which had increased their list prices rolled them back to $.58 per pound. The average domestic price fell from $.574 per pound in April-June 1977 to $.557 per pound in April-May 1978.

The issue of likelihood of injury to the domestic industry primarily involves the ability and willingness of Fabelta, the Belgian producer, to export rayon staple fiber to the United States at LTFV. According to information received at the public hearing, Fabelta operated at about 77 percent of capacity in 1977. The difference between this level of operation and full capacity is an additional 15 million pounds of annual production of rayon staple. With the European market experiencing a prolonged slump in demand, Fabelta has an incentive to increase its exports

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to the United States. The very large LTFV margins (57.6 percent) applicable to Fabelta's exports to the United States strongly suggest that Fabelta is willing to make LTFV sales when it is necessary to do so in order to sell its staple.

Conclusion

On the basis of the information obtained in the Commission's investigation, we conclude that an industry in the United States is being injured or is likely to be injured by reason of the importation of rayon staple fiber from Belgium sold at LTFV within the meaning of the Antidumping Act, 1921, as amended.

STATEMENT OF REASONS FOR THE NEGATIVE DETERMINATION OF COMMISSIONER BILL ALBERGER 1/

In order for a Commissioner to make an affirmative determination in an investigation under the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), it is necessary to find that an industry in the United States is being or is likely to be injured, or is prevented from being established, 2/ and the injury or likelihood thereof must be by reason of imports at less than fair value (LTFV).

Determination

On the basis of information obtained in this investigation, I determine that an industry in the United States is not being injured and is not likely to be injured by reason of the importation of rayon staple fiber from Belgium, which the Department of the Treasury (Treasury) has determined is being sold at LTFV.

The imported article and the domestic industry

Rayon staple fiber is a manmade textile fiber, which resembles raw or unprocessed cotton. It is spun into yarn and then either woven or otherwise processed into a variety of end products. In this determination, I consider the relevant domestic industry to consist of the facilities in the United States devoted to the production of rayon staple fiber. Three U.S. firms currently produce rayon staple fiber.

1/ Commissioner Italo H. Ablondi concurs in the result.

2/ Prevention of the establishment of an industry is not an issue and will not be discussed further.

LTFV Sales

U.S. imports from Belgium, which were negligible from 1973 through 1976, increased to 6.5 million pounds in 1977 and 1.4 million pounds during the first quarter of 1978. Price comparisons made by Treasury for the period February 1, 1977 through July 31, 1977, revealed that 100 percent of the rayon staple exported to the United States from Belgium was sold at LTFV, with a margin of 57.6 percent. Treasury had earlier reported margins of only 6.7 percent. Just prior to a scheduled vote on AA1921-181, Treasury notified the Commission that it had determined that sales in the home market were made at prices less than the cost of producing the merchandise and that lacking information with respect to sales to third countries constructed value was the appropriate basis for calculating fair value. Treasury then found the revised weighted average margin of 57.6 percent. While I was prepared to vote on this case on July 25, I joined my colleagues in voting to terminate the previous investigation without any determination, and to institute this new investigation--to allow time to consider the impact of this revised margin.

Counsel for the domestic industry has argued that these revised margins have great significance to the Commission. He contends that Treasury's finding shows purposeful intent to Fabelta of Belgium (the only company exporting rayon staple fiber to the United States from Belgium) to engage in unfair pricing practices designed to injure the domestic producers by eliminating them entirely or substantially

reducing their productive capacity. Counsel points to case law proscribing sales below cost with predatory intent and urges that we should find affirmatively even if complainant has not demonstrated the extent and seriousness of the injury. He seems to be arguing that in cases where Treasury determines dumping margins by constructed value based on costs, the Commission can relax its injury standard.

I totally reject the contention that the Commission's injury determination in antidumping investigations may be altered by some inference of intent derived from comparision to costs of production. That would distort the purpose of the Antidumping Act and the type of legislative fact-finding role the Commission plays in enforcing the Act. While counsel cites the Sherman Act, the Robinson-Patman Act, and the Federal Trade Commission Act as examples of laws prohibiting predatory pricing practices, the Antidumping Act was not designed to be such a measure. It prohibits international price discrimination but does not depend on a finding of intent. Our fact-finding hearings are merely designed to uncover the indicia of injury and its causal relationship with LTFV sales, but do not equip us to adjudicate matters revolving around the intentions of the parties. In this case we have nothing more than mere allegations of intent. We cannot adopt the approach of a court, nor can we utilize formal, on the record adjudication, as we have under Section 337 of the Tariff Act of 1930. While there is precedent under Section 337 for prohibiting predatory pricing, the Commission has been mindful of the differences between

that statute and the Antidumping Act. 2/

The Commission should not apply antitrust principles to its fact finding proceedings under the Antidumping Act. We should not make determinations that rest upon a presumption of illegality. My determination of injury under the Act will be confined to the record of this proceeding and established procedents.

The Question of Injury or Likelihood by Reason of LTFV Sales

U.S. Imports--From 1973 to 1977, total imports of rayon staple fiber have increased from 44.2 million pounds to 54.1 million pounds, and based on first quarter data for 1978, appear to be remaining at 1977 levels. Imports from Belgium were negligible during 1973-76, 6.5 million pounds in 1977, and 1.4 million pounds January-March 1978. This volume from Belgium accounted for 1.4 percent of apparent U.S. consumption in 1977 and 1.1 percent in the first quarter of 1978.

Production and shipments--Domestic production declined sharply from a high level of 660 million pounds in 1973 to a low of 350 million pounds in 1975, then recovered to 507 million pounds in 1977, and appears to be continuing to climb slightly in 1978, based only on first quarter data. U.S. producers' shipments followed a similar pattern during the past 5 years.

2/ See USITC Publication 863, In the Matter of Certain Welded Stainless Steel Pipe & Tube, Inv. No. 337-TA-29, p. 13-16; and USITC Publication 899, Welded Stainless Steel Pipe & Tube from Japan, Inv. No. AA1921-180, p. 12-14.

Capacity Utilization--Domestic facilities producing rayon staple fiber operated at 84% of capacity in 1973 and 78% in 1974, before dropping to 49% during the 1975 recession. Capacity has dropped about 17 percent since 1974, and utilization has recently recovered to the 1974 level. The recovery appears to be continuing in 1978.

Exports--Substantial quantities of rayon staple fiber have been exported in recent years. U.S. exports increased from only 16.9 million pounds in 1973 to 33.8 million pounds in 1974, and then jumped to 59.4 million pounds in 1977. This quantity exceeds imports in 1977, and is about 9 times the volume of LTFV imports from Belgium.

Inventories--The peak level of inventories during the period January 1973-March 1978 was reached at the end of 1974--67.3 million pounds. Inventories had dropped to 24.2 million by the end of 1976, but were up again by 47.3 million pounds on December 31, 1977 before dropping to 45.1 million pounds by March 13, 1978.

Consumption--Apparent consumption of rayon staple peaked in 1968 at 890 million pounds, dropped to 711 million pounds in 1973 and then dropped to 391 million pounds in 1975. Much of this decline is due to competition from polyester and other manmade fibers. In 1976 and 1977, apparent consumption recovered to 475 and 478 million pounds, respectively.

Employment--The average number of production and related workers producing rayon staple fiber declined from 3,700 in 1973 and 1974 to 2,300 in 1975 before climbing to 2,700 in 1977. Employment during the first quarter of 1978 averaged 2,600, but man-hours worked increased from 5.7 million hours in 1977 to 5.9 million, on an annualized basis, in the first quarter of 1978.

Profits--Since 1974, when the aggregate net operating profit to net sales ratio was 13.4 percent, losses have been more prevalent than profits. Losses occurred in both 1975 and 1977, and the first quarter of 1978 looks even worse. Profits of 2.9 percent were realized in 1976. Not all domestic producers suffered losses in 1975, 1977 and 1978.

Prices--Price competition exists in three different ways in this investigation. Intense competition appears to exist between the three domestic producers, who accounte for between 94 percent and 89 percent of apparent consumption between 1973 and 1977. Obviously, competition also exists between importers and U.S. producers. A third area of price competition involves the interaction of rayon staple, polyesters and other man-made fibers in the marketplace. While prices may appear low and suppressed since late 1974, the competition between substitute fibers appears to be an important factor. The imported product is generally priced below domestic staple, and the average net selling prices of imports from Belgium

have been below similar domestic prices in each quarter since 1976. However, the Belgian product has never been the lowest priced imported product in any quarter.

Lost Sales--There are three verified cases of lost sales in 1977, although they were not solely related to price. All three users mentioned quality problems with the domestic product.

Summary--1975 was a horrible year for this industry, with sharp declines in production, shipments, capacity utilization, exports, employment, profits, and obviously consumption. There were no measurable imports from Belgium until 1977. Since 1975, domestic production, shipments capacity utilization, and employment have made major recoveries and with the exception of employment are approaching 1974 levels. Exports have increased sharply to new record levels in 1977. Profits recovered in 1976, but have dropped badly since then. Consumption remains well below 1974 levels. The factors indicating some degree of injury, unrelated to the 1975 recession, are profits, prices, inventories and lost sales. The price situation and the lost sales are explained above, and inventories, while up from 1976, are well below 1975 levels. I simply cannot attribute the present profit situation of U.S. producers to LTFV imports from Belgium and, therefore do not find injury by reason of such imports.

With respect to likelihood of injury, the only factor suggesting any future injury in the first quarter of 1978 is profits. Production, shipments, capacity utilization, consumption, and man-hours worked are all up or steady. Inventories and imports from Belgium are down. The question of the capacity of Fabelta of Belgium to ship larger quantities at low prices to the United States must be addressed. Apparently Fabelta's idle capacity in 1977 could produce about 3 times as much rayon staple as was exported to the United States in that year. Import penetration from Belgium could increase to around 4 percent of apparent U.S. consumption, hardly an overwhelming level. Counsel for Fabelta stated that it has limited annual exports to the United States to no more than 9 million pounds, or slightly less than 2 percent of apparent consumption. There may be a slight possibility of some problems occuring in the future with respect to imports from Belgium but I certainly wouldn't classify it as a likelihood.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On May 2, 1978, the United States International Trade Commission received advice from the Department of the Treasury that rayon staple fiber from Belgium is being, or is likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. 1/ Accordingly, on May 15, 1978, the Commission instituted investigation No. AA1921-181 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The Commission issued its notice of investigation and hearing on May 15, 1978, and posted copies of this notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's New York office. 2/ In addition, this notice was published in the Federal Register of May 19, 1978 (43 F.R. 21740). The Commission conducted a public hearing in connection with this investigation on June 20, 1978, in Washington, D.C.

On July 21, 1978, the Commission received advice from Treasury that it had reconsidered the basis for its fair-value comparisons. As a result of its reconsideration, Treasury modified its determination of May 2, 1978, such that the weighted average LTFV margin increased from 6.7 percent to 57.6 percent. Having received new and substantially different advice from Treasury, the Commission took the following action:

1. Terminated investigation No. AA1921-181 without any determination;

2. Instituted the instant investigation (No. AA1921-186) to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of rayon staple fiber from Belgium into the United States;

3. Determined that there does not appear to be good and sufficient reason to hold a new public hearing in this investigation. However, the Commission gave interested persons an opportunity to submit written statements regarding this investigation; and

4. Expressed its intention to expedite this investigation and to report its findings to Treasury within 30 days of the issuance of its notice of investigation.

1/ Copies of Treasury's letters to the Commission are presented in app. A.
2/ Copies of the Commission's notices concerning rayon staple fiber from Belgium are presented in app. B.

The Commission issued its notice terminating investigation No. AA1921-181 and instituting investigation No. AA1921-186 on August 3, 1978. Copies of this notice were posted in the Commission's Office of the Secretary, Washington, D.C., and at the Commission's New York office. This notice was published in the Federal Register of August 8, 1978 (43 F.R. 35122).

The complaint which led to Treasury's determination of sales at LTFV was filed by counsel representing Avtex Fibers, Inc., the largest U.S. producer of rayon staple fiber. Treasury's notice of investigation was published in the Federal Register of July 22, 1977 (42 F.R. 37610). A notice of tentative determination of sales at LTFV and withholding of appraisement was published in the Federal Register of January 23, 1978 (43 F.R. 3234). Treasury's final determination of sales at LTFV was published in the Federal Register of May 1, 1978 (43 F.R. 18619). Treasury's modification of determination of sales at LTFV was published in the Federal Register of July 28, 1978 (43 F.R. 32915). 1/

Background

Past Commission investigations concerning rayon staple fiber

Between October 1959 and August 1961 the Commission conducted five antidumping investigations on rayon staple fiber, Nos. AA1921-11 (France), -17 (France), -18 (Belgium), -20 (Cuba), and -21 (West Germany). In each case the Commission determined unanimously that an industry in the United States was not being, and was not likely to be, injured by reason of the importation of rayon staple fiber sold at LTFV.

On May 19, 1961, the Commission made a negative determination in investigation No. AA1921-18, rayon staple fiber from Belgium. In that investigation, as in the instant investigation, Fabelta S.A. and John Ryan & Sons were identified as being the only exporter and importer, respectively, of the merchandise in question. In its statement of reasons the Commission stated:

> The Commission could find no evidence that during this period the importer had a competitive price advantage over the domestic producers by reason of his purchases of the rayon staple fiber at prices less than "fair value." In fact, during this period domestic producers, as a result of aggressive pricing practices of that industry, had lowered their prices to such levels that the importer did not generally meet the lower average domestic prices and, as a consequence thereof, his sales in the United States of the imported fiber declined sharply compared to sales

1/ Copies of Treasury's notices on rayon staple fiber from Belgium as published in the Federal Register are presented in app. C.

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of the like domestic fiber. The importer gained no new customers during this period and there is no evidence that he sold at a price lower than that charged by the domestic producers for the same type fiber. Therefore, the Commission determines that there has been no injury in this case.

The importer and exporter made diligent efforts to ensure that the purchase price would equal or exceed the home market value. The "margin of difference" between these values arose from the allowance of a quantity discount based upon a purchase order for a year's supply of such fiber. Imports pursuant to this order were subsequently curtailed because of market conditions in the United States; consequently, the importer's purchase price had to be compared with a higher home market value applicable to smaller quantity purchases. Had the importer accepted the full order for rayon staple fiber and brought such larger quantity into the United States market for sale, there would have been no "sales at less than fair value." Such sales are characterized by the Commission as "technical sales at less than fair value" (i.e., sales which were made at less than fair value under circumstances which are inculpable). To avoid possible recurrences of "sales at less than fair value," the importer and exporter have arranged their price agreements for future deliveries to ensure that no quantity discount will be allowed in the purchase price until after the discount has been earned by actual completed transactions. The importer has no significant inventory of the fiber purchased "at less than fair value." Under these circumstances there is no "likelihood" of injury from the importation of the rayon staple fiber that was purchased "at less than fair value."

The Commission also conducted an escape clause investigation on rayon staple fiber (No. 7-95 under section 7 of the Trade Agreements Extension Act of 1951, as amended) in 1961. In that investigation the Commission determined (Commissioners Overton and Sutton dissenting) that rayon staple fiber is not being imported in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Description and uses

Rayon staple is a manmade textile fiber, resembling raw or unprocessed cotton. It is spun into yarn and then either woven or otherwise processed into a variety of end products. Rayon staple fiber, the first manmade fiber produced in commercial quantities, has lost appreciable market share to other manmade fibers during the last 10 years, principally polyester. For the purpose of this report, the term "rayon staple fiber" means viscose rayon staple fiber, except solution dyed, in noncontinuous form, not carded, not

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combed, and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

Market participants generally recognize two rayon staple product lines. The highest volume rayon staple sold in the United States is often called commodity, conventional, or regular rayon staple. All other products are grouped under the heading of specialty rayon staple. Some specialty fibers include high fluid holding and sterilizeable types, and high wet modulus types. The difference between commodity and specialty rayon staple involves the extent to which the cellulosic polymer is reconstituted during the production process. Such distinctions at the molecular level impart different physical properties to the respective fibers.

The manufacture of rayon staple, whether commodity or specialty type, involves four principal steps. First, wood pulp is dissolved through a variety of physical and chemical processes into a viscose solution. Second, after appropriate filtering and aging, the solution is extruded through fine holes in spinnerets. Third, the extruded solution coagulates in an acid spinning bath into the form of very fine filaments. Fourth, a collection of many parallel, nontwisted, continuous filaments are cut to short lengths, usually ranging from 1 to 3 inches.

U.S. producers generally manufacture commodity and specialty rayon staple in the same establishments but on different production lines. These lines differ principally with respect to grade of wood pulp, viscose quality control, and rate of spinning. The cost of converting a commodity line to a specialty line is considerable, ranging from * * * to * * *. However, such costs are modest compared with the $200 million cost of entering the domestic industry with a new, efficient-size rayon plant. U.S. producers have already converted a sizable portion of their capacity from commodity to specialty lines.

In the United States, rayon staple fiber is spun into yarn which, in turn, is used by other textile concerns in producing mainly broadwoven goods or other fabrics. Final markets for woven and other fabrics include wearing apparel, home furnishings, and industrial fabrics. In addition, rayon staple fiber has gained acceptance in the production of nonwoven fabrics, which are used extensively in disposable diapers, women's hygienic articles, and medical and surgical products.

U.S. producers

Three U.S. firms, Avtex Fibers, Courtaulds North America, and American Enka currently produce rayon staple fiber; Beaunit Corp. was the last U.S. firm to discontinue production of such merchandise, closing its staple plant in 1971. Beaunit Corp. still produces some rayon products, other than staple, in its Elizabethton, Tenn., plant.

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Avtex Fibers.—Avtex Fibers (Avtex), the complainant, is the largest rayon staple producer in the United States. The history of Avtex dates back to 1910 when the Viscose Co. (owned by Courtaulds Ltd., United Kingdom) started production of rayon yarn at Marcus Hook, Pa. In 1937, the Viscose Co. changed its name to American Viscose Corp., but continued under the ownership of Courtaulds Ltd. until 1941, when the British government pledged the assets of the company to U.S. bankers for munitions financing. These assets were subsequently sold to the U.S. public and American Viscose operated as an independent company until 1963, when it was acquired by FMC Corp. In July 1976, Avtex, a privately held company, was formed; it purchased all assets of FMC's Fiber Division, excluding the Fredericksburg, Va., plant, which is essentially a cellophane facility. Avtex's capital structure consists almost entirely of borrowed funds, making this firm highly vulnerable to financial shocks.

Avtex produces rayon yarn, cellulose acetate, polyester, nylon fibers, and textured continuous filament polyester yarns, in addition to commodity and specialty rayon staple fiber. Avtex manufactures rayon staple in its plants located in Nitro, W. Va., and Front Royal, Va. The Nitro plant produces commodity rayon staple fiber exclusively, whereas its Front Royal plant produces commodity and specialty rayon staple and rayon yarn.

Courtaulds North America.—Courtaulds North America's (Courtaulds) parent company, Courtaulds Ltd., United Kingdom, successfully introduced, while known in 1910 as the Viscose Co., the first commercial production of viscose rayon in the United States. In 1941 Lend-lease agreements forced Courtaulds Ltd. to give up ownership of the company (see preceding discussion of Avtex Fibers for additional information). In 1952 Courtaulds reentered the U.S. rayon staple market and resumed production of staple in its then new plant in LeMoyne, Ala. Courtaulds has emphasized rayon/cotton blends and owns a leading cotton producer in Mississippi, the Delta Pine and Land Co. Courtaulds' parent company is probably the largest rayon producer in the world, with operations in 25 countries through 400 associated companies.

American Enka.—American Enka (Enka) is a division of Akzona, Inc., which was formed in 1970 by the merger of three North American companies in which AKZO Chemie Verkoopkantoor N.V. (AKZO), located in The Netherlands, had controlling interest. AKZO produces rayon, polyester, and nylon fibers worldwide. Prior to this merger, Enka had operated independently as the American Enka Corp. In 1957 Enka introduced rayon staple capacity to its plant at Lowland, Tenn.; Enka began production of rayon continuous filament yarn at Enka, N.C., in 1929 and at Lowland, Tenn., in 1948. On July 15, 1974, Enka announced that it would cease production of rayon filament yarns at the Lowland plant and convert part of its yarn capacity to staple. Enka closed its 46-year-old Enka, N.C., plant in 1975, citing reasons such as depressed rayon filament yarn prices, increased costs, and pollution control programs. Enka produces polyester and nylon fibers, in addition to commodity and specialty rayon staple.

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U.S. tariff treatment

Imported rayon staple fiber, whether commodity or specialty type, is classified for tariff purposes under item 309.43 of the Tariff Schedules of the United States (TSUS). The most-favored-nation rate of duty currently applicable to this article was reduced from 15 to 7.5 percent ad valorem during the Kennedy round of trade agreements. The statutory rate for TSUS item 309.43 is 25 percent ad valorem. Rayon staple fiber is not eligible for duty-free treatment under the Generalized System of Preferences.

The United States is a party to the Arrangement Regarding International Trade in Textiles (Multifiber Arrangement or MFA) which provides a formula for limiting the level of trade of most textile and apparel articles of cotton, wool, and manmade fibers. Rayon staple, as well as all other raw (or unprocessed) fibers, is not covered by the MFA.

Nature and extent of sales at LTFV

Treasury's investigation of U.S. imports of rayon staple fiber from Belgium covered the 6-month period extending from February 1, 1977, through July 31, 1977. One manufacturer, S.A. Fabelta (Fabelta), Brussels, Belgium, was the sole Belgian producer exporting to the United States during the period of investigation. Fair-value comparisons were made on 100 percent of the subject merchandise sold to the United States during the period of investigation. This consisted of * * * of * * * million pounds. On May 2, 1978, Treasury reported that the LTFV margin amounted to * * * per pound, or 6.7 percent. This margin was calculated by comparing purchase prices to the United States with fair value as established from home market sales. On July 21, 1978, Treasury concluded upon further investigation that all home market sales during the period of investigation were made at prices less than the cost of producing the merchandise and that such prices could not be used to establish fair value. By disregarding those home market prices, but lacking information with respect to sales to third countries, Treasury determined constructed value to be the appropriate basis for calculating the fair value of the merchandise. Accordingly, Treasury advised the Commission that the revised weighted average margin is 57.6 percent.

Other antidumping proceedings currently being conducted by Treasury

On April 12, 1977, 2 months prior to the filing of the complaint in the instant investigation, Treasury initiated an antidumping investigation of rayon staple fiber from Austria. On October 19, 1977, Treasury made a tentative determination that rayon staple fiber from Austria is being sold at LTFV. In the tentative determination, Treasury identified Chemiefaser Lenzing (Lenzing) as the sole Austrian producer exporting to the United States. Using the purchase price and the home market price, Treasury made fair value comparisons on 97 percent of the sales of the subject merchandise to the United States during the period November 1, 1976, through April 30, 1977. Those comparisons indicated that the purchase price of rayon staple fiber was

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less than the home market price of similar merchandise; a margin of approximately 10.5 percent was found on all sales compared. Accordingly, Customs officers were directed to withhold appraisement of rayon staple fiber from Austria for 6 months.

On January 23, 1978, Treasury determined to discontinue this antidumping investigation, stating that while prices to the United States were below Austrian home market prices, the elimination of the price differential by the sole Austrian exporter, the provision of assurances of no future sales at LTFV, and the presence of special circumstances warrant the discontinuance of this investigation. More specifically, Treasury stated:

> It has been determined that all differences between home market price and purchase price would have been eliminated if an adjustment for the export processing discount had been allowed. In a prior antidumping investigation involving this product from Austria in 1961, an adjustment was granted to Lenzing's home market prices for this discount and a "Determination of No Sales at Less Than Fair Value" was issued (26 FR 6276). Lenzing has operated since that time under the assumption that an adjustment for this discount would be made in any future investigation under section 201(a) of the Act. Upon notification at the time of the tentative determination in the instant case that Treasury had changed its interpretation regarding this discount, Lenzing eliminated the export processing discount, thereby eliminating all price differentials between home market price and purchase price. Formal assurances were submitted through counsel that no future sales at less that fair value within the meaning of the Act would be made.

On March 7, 1978, Treasury announced a reopening of the antidumping proceeding concerning rayon staple fiber from Austria. Treasury reopened the case pending the completion of an analysis of the production costs of the sole Austrian exporter in order to determine if sales in the home market are being made at prices below the cost of production. Treasury noted that a preliminary analysis had not revealed that such below cost sales are in fact being made, but that an additional inquiry is necessary before final conclusions can be reached. Treasury officials have informally notified the Commission that final disposition of the Austrian case will occur after the conclusion of the Commission's instant investigation on rayon staple fiber from Belgium. In 1977, U.S. imports of rayon staple fiber from Austria were approximately four times as large as those from Belgium.

On May 5, 1978, Treasury simultaneously instituted antidumping investigations of rayon staple fiber from France, Finland, Italy, and Sweden. Tentative determinations concerning these investigations are not expected until November 1978.

Apparent U.S. consumption

From 1960 through 1968 the demand for rayon staple in wearing apparel and home furnishings increased significantly in the U.S. markets. Reflecting strong market conditions, apparent U.S. consumption increased 127 percent during this period. At the same time, polyester staple was introduced in the United States as a high-priced specialty fiber which was more durable and abrasion resistant than rayon. Polyester and other manmade fibers began to displace rayon in a number of apparel and home furnishing applications as soon as large scale production reduced manufacturing cost and selling prices. Apparent U.S. consumption of rayon staple fiber decreased from 890 million pounds in 1968 to 711 million pounds in 1973, and then fell dramatically to 391 million pounds in the recession year 1975 (table 1). Apparent consumption recovered somewhat in 1976 and 1977, increasing to 475 million pounds and 478 million pounds, respectively. Apparent consumption was 124 million pounds during January-March 1978, representing a 2-percent decline compared with the corresponding period of 1977. In 1968, rayon staple accounted for about 15 percent of all cotton, polyester, and rayon staple consumed in the United States. In 1977 this market share dropped to 8 percent (table 2).

Rayon staple has fared considerably better than rayon continuous filament yarn, which has lost nearly all its markets except tire cord. Rayon staple has retained its popularity in new nonwoven applications where moisture absorbency is a desired property, as with disposable diapers, wiping cloths, and sanitary articles. As shown in the table below, declining apparent consumption is common to both commodity and specialty rayon staple fiber. During the period 1973-77 apparent consumption of commodity and specialty staple dropped 30 and 41 percent, respectively.

Rayon staple fiber: Apparent U.S. consumption, by types, 1973-77, January-March 1977, and January-March 1978

(In millions of pounds)

Period	Commodity	Specialty	Total
1973	519.8	190.8	710.6
1974	427.8	150.4	578.2
1975	314.6	75.9	390.5
1976	373.0	101.7	474.7
1977	366.0	112.0	478.0
January-March--			
1977	96.4	30.6	127.0
1978	94.3	29.3	124.1

Source: Producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; U.S. imports compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Apparent consumption equals producers' shipments plus imports minus exports.

U.S. imports

U.S. imports of rayon staple fiber consist exclusively of commodity staple excepting some Canadian articles which are of a high-wet modulus type. U.S. imports from all countries declined from 44.2 million pounds in 1973 to 37.0 million pounds in 1974, remained about the same in 1975, and then increased to 41.5 and 54.1 million pounds in 1976 and 1977, respectively (table 3). The value of U.S. imports has exhibited a slightly different trend than has the quantity of imports owing to changing average unit values. The value of imports increased from $14.0 million in 1973 to $17.7 million in 1974 despite a 16-percent decline in the quantity of imports (table 4). This rapid rise in unit value was associated with the strong seller's market in 1974; thereafter, the average unit value of imports declined. The value of imports fell to $15.9 million in 1975, before rebounding somewhat to $17.8 million and $24.0 million in 1976 and 1977, respectively.

U.S. imports from Belgium, which were negligible in 1973-76, amounted to 6.5 million pounds in 1977 and 1.4 million pounds in January-March 1978. The value of these imports was $2.6 million in 1977 and $573,433 in January-March 1978. All of this merchandise was imported by J. J. Ryan & Sons, Greenville, S.C., and subsequently sold to three U.S. textile mills. J. J. Ryan & Sons is the only U.S. importer of rayon staple known to stock merchandise in the United States.

During the last 5 years Austria has been the largest supplier of U.S. imports, accounting for more than 50 percent of total U.S. imports during

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1975-77. The Austrian staple is imported by a single firm, Chemrey Fibers, Inc., of New York City. Although U.S. imports increased by 12.6 million pounds in 1977, imports from Austria declined. The increased imports in 1977 were supplied by Belgium, France, Sweden, Finland, and Italy.

U.S. producers' shipments

For the purpose of this report, U.S. producers' shipments include U.S.-made rayon staple fiber which is shipped to domestic customers or exported. As shown in the table below, U.S. producers' shipments declined sharply from 683 million pounds in 1973 to 374 million pounds in 1975. These shipments recovered somewhat in 1976 and 1977. U.S. producers' shipments of commodity and specialty staple have generally changed in a similar manner with the exception of 1977, when commodity staple declined by 2.2 million pounds whereas specialty staple increased by 17.5 million pounds.

Rayon staple fiber: U.S. producers' shipments, by types, 1973-77, January-March 1977, and January-March 1978

(In millions of pounds)

Period	Commodity	Specialty	Total
1973	494.7	188.6	683.3
1974	423.4	151.6	575.0
1975	296.8	77.0	373.8
1976	364.7	103.3	468.0
1977	362.5	120.8	483.3
January-March--			
1977	88.7	32.0	120.7
1978	93.5	29.7	123.2

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. domestic shipments.--U.S. domestic shipments of rayon staple declined sharply from 666 million pounds in 1973 to 424 million pounds in 1977, representing a 36-percent decrease. This decline affected both commodity and specialty rayon staple. In contrast to total U.S. producers' shipments, which increased in 1977, U.S. domestic shipments dropped from 433 million pounds in 1976 to 424 million pounds in 1977.

U.S. exports.--U.S. exports of domestic merchandise registered strong gains during the period 1973-77 (table 5). As shown in the table below, U.S. exports increased from 16.9 million pounds in 1973 to 34.8 million pounds in 1976 before surging upward to 59.4 million pounds in 1977. The 24.6 million pound increase in U.S. exports during 1977 comprised a 17.8 million pound increase in commodity staple and a 6.8 million pound increase in specialty staple.

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Rayon staple fiber: U.S. exports of domestic merchandise by types, 1973-77, January-March 1977, and January-March 1978

(In millions of pounds)

Period	Commodity	Specialty	Total
1973	15.5	1.4	16.9
1974	32.0	1.8	33.8
1975	18.8	1.7	20.5
1976	31.3	3.5	34.8
1977	49.1	10.3	59.4
January-March--			
1977	6.0	1.6	7.6
1978	12.2	.4	12.6

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Information obtained at the public hearing suggests the following reasons for the increased U.S. exports of rayon staple fiber. First, the price control system, in effect during part of 1974, gave U.S. producers an incentive to sell commodity rayon staple fiber abroad at the higher unregulated world price. Second, in 1977 some U.S. producers accumulated large inventories of rayon staple fiber, which was sold abroad at distress prices when no domestic customer could be found (transcript of the hearing, p. 68). Information obtained through Commission questionnaires shows that * * * inventories and exports nearly doubled in 1977 over their 1976 levels.

Consideration of Injury

Utilization of productive facilities

To evaluate the extent of the idling of productive facilities, the Commission asked U.S. producers to report their annual capacity to produce rayon staple fiber, in pounds, for the period 1973-77. Further, the Commission defined capacity as the maximum sustainable output reflecting the firm's normal product mix during each of the years in question. Before the results are discussed, a shortcoming of this method of determining capacity utilization should be noted. Labor strikes reduce the measured rate of capacity utilization of the U.S. producers for reasons unrelated to actual production needs. A significant reduction in production occurred during the period October 15, 1976-December 15, 1976, when Enka's Lowland, Tenn., plant was struck with a labor dispute.

As shown in the following table, U.S. producers' capacity declined from 785 million pounds in 1973 to 650 million pounds in 1977. The closing of Avtex's Parkersburg, W. Va., plant in 1974 and the effects of environmental standards on the operations of various plants account for the declining capacity. The data further indicate substantial excess capacity during the last 5 years despite the fact that Enka operated at near capacity levels

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during most of the period under consideration. Idle capacity will not greatly affect the financial viability of a firm if it can readily transform its unused capital assets to cash or other productive purposes. Owing to the nature of rayon production, capacity cannot be readily adjusted to meet changing market demand. This lack of flexibility, coupled with the high capital intensity of rayon production, accentuates the adverse effects on producers with excess capacity.

Rayon staple fiber: U.S. production and U.S. producers' capacity, 1973-77

Item	1973	1974	1975	1976	1977
Production----------million pounds--	660	612	350	459	507
Capacity----------do----	785	785	712	650	650
Ratio of production to capacity----percent--	84	78	49	71	78

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment

The Commission collected employment data from U.S. producers of rayon staple fiber, a summary of which is in the following table. The average number of production and related workers producing rayon staple fiber remained about the same from 1973 to 1974 and then dropped precipitously in 1975, with a modest recovery occurring in 1976 and 1977. The pattern for man-hours worked is similar.

Average number of production and related workers producing rayon staple fiber, and man-hours worked, 1973-77, and January-March 1978

Item	1973	1974	1975	1976	1977	January-March 1978
Average number of production and related workers--1,000 workers--	3.7	3.7	2.3	2.5	2.7	2.6
Man-hours worked by production and related workers million man-hours--	8.0	8.1	4.5	5.1	5.7	1/ 5.9

1/ Annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Characteristics of the work force.--Mr. Bruce Dunton, Division Director, Amalgamated Clothing and Textile Workers, described at the public hearing the demographics of the rayon staple work force. Mr. Dunton characterized this work force as being either "fairly old" (over 45 years of age) or young (under 25 years of age). He stated that women account for about 20 to 30 percent of the work force and that the labor skills involved in the production of rayon staple are not readily transferrable to other industries. Finally, Mr. Dunton stated that rayon fiber plants are located in older industrial towns where few other job opportunties are available.

Trade adjustment assistance.--Title II, chapter 2, of the Trade Act of 1974 provides for adjustment assistance to workers, firms, and communities when increased imports have contributed importantly to their economic difficulties. On May 23, 1978, the Department of Labor found that workers previously employed in Avtex's Nitro, W. Va. plant were entitled to import adjustment assistance. The U.S. Department of Labor found that ". . . increase of imports of articles like or directly competitive with rayon staple fibers produced at the Nitro, West Virginia plant of Avtex Fibers, Inc., contributed importantly to the decline in sales and production and to the total or partial separation of workers at that plant."

Profit-and-loss-experience

The Commission asked the three U.S. producers to report their financial data with respect to their rayon staple fiber operations and overall establishment operations where rayon staple fiber was produced. Since the producers could provide useable financial data on their rayon staple fiber operations this section will focus on such data.

Owing to the sharply rising prices and increased quantities of producers' shipments, net sales increased from $237 million in 1973 to $290 million in 1974. A very steep decline in producers' shipments accounts for the lower level of net sales, $201 million, in 1975. Net sales partially recovered in 1976 and 1977, as shown in the table below.

Aggregate profit-and-loss experience of the three U.S. producers of rayon staple fiber, 1973-77, and January-March 1978

Period	Net sales	Net operating profit or (loss) before income tax	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	Percent
1973	237,422	18,321	7.7
1974	290,013	38,930	13.4
1975	200,742	(294)	(.2)
1976	261,282	7,613	2.9
1977	285,410	(1,680)	(.6)
1978 (January-March)	72,992	(2,809)	(3.9)

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Net operating profit increased from $18 million in 1973 to $39 million in 1974, before sliding into a loss position during the recession year 1975. The industry registered small profits in 1976, but again fell into a loss position in 1977 and January-March 1978. None of the three firms reported a loss in either 1973 or 1974. Net losses were reported by * * * in 1975 and 1976, while * * * reported such in 1977 and January-March 1978 (table 6).

Inventories

U.S. producers provided information regarding their inventories on certain dates during the period December 1973-March 1978. A summary of this information is found in the following table. The data indicate that U.S. producers increased inventories during 1974, reduced them in 1975 and 1976, and began increasing inventories throughout 1977. Inventory levels declined slightly during January-March 1978.

Rayon staple fiber: End-of-period inventories held by U.S. producers and the ratio of such inventories 1/ to producers' shipments, by specified periods, 1973-77, and January-March 1978

Period	U.S. producers' inventories	Ratio of U.S. producers' inventories to producers' shipments
	Million pounds	Percent
1973	32.0	4.7
1974	67.3	11.7
1975	43.6	11.7
1976	24.2	5.2
1977:		
January-March	35.7	7.4
April-December	47.3	9.8
1978 (January-March)	45.1	9.2

1/ The ratios represent inventories at the end of the period shown divided by the quantity of producers' shipments in that period.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The above table also presents the ratio of inventories to shipments for U.S. producers for specified periods during the past business cycle. This ratio was 4.7 percent in 1973; a year characterized by a worldwide manmade fiber shortage. As the recession took hold in the last quarter of 1974 the ratio jumped to 11.7 percent and remained at this high level throughout 1975. By the end of 1976, U.S. producers had finally brought their inventory levels

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under control with the ratio of inventories to shipments dropping to 5.2 percent. The situation changed in 1977 as the ratio of inventories to shipments returned to nearly 10 percent.

Consideration of Likelihood of Injury

The issue of future injury to the domestic industry primarily involves the ability and willingness of Fabelta, the Belgian producer, to export rayon staple fiber to the United States at LTFV. The demand for commodity rayon staple in the United States as well as Fabelta's capacity to increase its exports of rayon staple fiber will influence the degree to which the domestic industry is susceptible to future injury by reason of LTFV sales from Belgium.

Data show that apparent U.S. consumption of rayon staple declined significantly during the last 10 years (table 2). If such a trend continues any increase in U.S. imports will result in increased market penetration by foreign-made fibers. Counsel for J. J. Ryan & Sons predicted that U.S. demand for rayon staple will increase at a rate of 1.9 percent, annually, during the period 1977-82, giving U.S. producers and importers a larger market in which to grow (statement from posthearing brief, p. 29).

According to information received by the Commission, Fabelta operated at about 77 percent of capacity in 1977, with enough idle capacity to potentially produce an additional 15 million pounds of rayon staple (transcript of the hearing, p. 58). With the European market experiencing a prolonged slump in demand, Fabelta may be induced to increase its exports to the United States. Counsel for J. J. Ryan & Sons states that Fabelta had limited the amount of annual production available for export to the United States to about 9 million pounds (statement from posthearing brief, p. 30). It is unclear if the Belgian government's recent action in assuming 100 percent ownership of Fabelta will alter the firm's export policy.

Counsel for Avtex argues that Fabelta's prices in 1977 were the lowest offered by the six major European producers of commodity staple. Furthermore, he argues that other European producers will be forced to match the price offered by Fabelta, resulting in price suppression for the domestic industry (statement from posthearing brief, p. 60). During the period October 1976-May 1978, J. J. Ryan & Sons selling price of Belgian rayon staple was generally lower than the average selling price of imported fibers, but it was never the lowest priced import being sold in the United States.

Counsel for Avtex has presented information which shows the existence of an international association of European rayon producers called Unicel. He argues that the purpose of Unicel is to coordinate the production and shipment patterns of its members, which include Fabelta, so as to control the world's rayon staple market (statement from posthearing brief, p. 61). He further states that Unicel might decide to reduce excess capacity in Europe by coordinating the export of rayon staple to the United States. The Commisson was unable to obtain direct information with regard to the goals and activities of this alleged cartel.

Consideration of the Causal Relationship Between Alleged Injury and LTFV Sales

The Department of the Treasury found LTFV margins on 100 percent of Fabelta's sales to the United States during the period of its investigation, February 1, 1977-July 31, 1977. Total sales during this period amounted to about * * *; the LTFV margin on all sales was 57.6 percent.

Market penetration

As shown in the table below, the ratio of U.S. imports from Belgium to apparent consumption of all rayon staple fiber was negligible for the period 1973-76. This ratio increased to 1.4 percent in 1977 and declined somewhat during January-March 1978. U.S. imports from Austria held a relatively constant market share, about 6 percent, for the period 1975-77, after rising from 2.4 percent in 1974. The total market share held by U.S. imports increased from 8.7 percent in 1976 to 11.3 percent in 1977, resulting entirely from increased U.S. imports from Belgium, Sweden, France, and Finland. In 1977, Belgium accounted for 1.4 percentage points, or 44 percent, of the 3.2 percentage point increase over 1976 reported by these four countries as a group.

Rayon staple fiber: Ratios of U.S. imports to apparent consumption, by sources, 1973-77, January-March 1977, and January-March 1978

(In percent)

Source	1973	1974	1975	1976	1977	January-March	
						1977	1978
Austria	2.1	2.4	6.4	6.2	5.8	6.7	4.4
Belgium	0	0	0	0	1.4	1.9	1.1
Canada	1.9	2.8	1.4	1.3	1.2	1.1	.3
Sweden	.3	.1	.1	.1	1.0	.4	3.4
France	.1	.1	.2	.1	.8	.1	.3
Finland	.1	0	.1	.2	.4	.2	.7
Italy	0	.2	.1	.2	.2	.2	.3
All other	1.7	.8	1.2	.6	.5	.3	.4
All countries	6.2	6.4	9.5	8.7	11.3	10.9	10.9

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

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As noted previously, U.S. imports of rayon staple fiber consist almost exclusively of the commodity-type staple. The following table presents the ratio of U.S. imports of commodity rayon staple to apparent U.S. consumption, by sources. The market share held by U.S. imports from Belgium during 1977 increased to 1.8 percent with the more narrowly defined product being used. Belgium's market share gain in 1977 from 1976 represented about one-half of the aggregate gains by all countries in that year.

Commodity rayon staple fiber: Ratios of U.S. imports to apparent consumption, by sources, 1973-77, January-March 1977, and January-March 1978

(In percent)

Source	1973	1974	1975	1976	1977	January-March	
						1977	1978
Austria	2.9	3.2	8.0	7.9	7.6	8.8	5.8
Belgium	0	0	0	0	1.8	2.5	1.5
Canada	1.9	3.7	1.6	1.1	1.1	1.3	.4
Sweden	.4	.1	.1	.2	1.3	.5	4.4
France	.2	.1	.2	.1	1.0	.1	.4
Finland	.1	0	.1	.2	.6	.3	.9
Italy	0	.3	.1	.2	.3	.2	.4
All other	2.3	1.1	1.4	.9	.7	.5	.4
All countries	7.8	8.5	11.5	10.6	14.4	14.2	14.2

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Prices

Total U.S. demand for rayon staple fiber is strongly affected by changes in price because this commodity has one relatively close substitute, polyester staple, and a number of more distant substitutes. Thus, a price increase in imported and domestically produced rayon staple vis-a-vis polyester staple will result in an appreciable decrease in demand. In addition, the physical properties of this commodity and the types of market participants involved suggest that relative price is an important factor in determining how aggregate demand is shared between foreign and domestic suppliers. This market recognizes widely accepted product specifications with respect to rayon staple, thus reducing the ability of suppliers to differentiate their fiber according to quality or other physical characteristics. The price sensitivity of rayon staple is further enhanced because it is purchased by professional buyers of U.S. textile mills, which are extremely knowledgeable about current market conditions.

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To investigate price trends in the U.S. market, the Commission sent detailed questionnaires to U.S. producers and importers, which were asked to supply the average selling prices received on sales of commodity rayon staple fiber to U.S. textile mills during January 1974-May 1978. Although U.S. producers do employ a price list, negotiated discounts are common. The Commission selected a pricing item adhering to the following specifications: first quality, 1.35-1.65 denier, regular, bright viscose rayon staple fiber. Results showing the average selling prices of U.S. producers and importers can be found in table 7.

The U.S. wholesale price of rayon staple fiber, both domestic and imported, remained quite stable in 1973, before surging upward in 1974 and 1975; thereafter, the price of rayon staple rose much more moderately. As shown in the table below, the price of rayon staple increased significantly during 1973-75, while that of polyester staple actually dropped. This change in relative price between the two fibers probably accounts for some of the decline in apparent U.S. consumption of rayon staple occurring during this period (table 2). In 1976 and 1977 the wholesale price of both fibers increased at about the same rate, and the relative market share held by the respective fibers also remained about the same. U.S. producers' price for rayon staple declined during January-June 1978. Data are not available on polyester prices during this period.

Annual percentage increase or (decrease) in the U.S. wholesale price of rayon staple fiber and polyester staple fiber, 1973-77 and January-June 1978

(In percent)

Year	Rayon staple fiber	Polyester staple fiber
1973	4	0
1974	38	0
1975	8	(4)
1976	3	2
1977	6	9
1978 (January-June)	(2)	1/

1/ Not available.

Source: Compiled from official statistics of the Bureau of Labor Statistics and from data submitted in response to questionnaires of the U.S. International Trade Commission.

During the period January-September 1976, the average domestic price of commodity rayon staple fiber remained at about $0.53 per pound. During October-December 1976 J. J. Ryan & Sons (Ryan) entered the U.S. market, offering Fabelta's rayon staple at an average price of * * * per pound. Ryan's price at that time * * * the Austrian import price and * * * the price of rayon staple from Italy. During October-December 1976 the U.S. producers

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increased their prices about $0.025 per pound and established an average selling price of about $0.556. In March 1977 Avtex announced that it would increase its list price from $0.58 per pound to $0.61 per pound effective May 1977. Enka announced a similar increase in its list price. However, Courtaulds did not follow the other U.S. producers and eventually announced that it would not increase its price. By mid-year 1977, the average domestic transaction price registered about $0.574, reflecting an additional $0.02 per pound increase from October-December 1976. By mid-year 1977, Ryan's price stood at * * * per pound, about * * * the Austrian price and * * * the average import price. The price difference of about * * * per pound, which existed between the domestic and Belgian staple during January-June 1977, appears to have influenced some U.S. textile mills to change suppliers. Throughout the remaining months of 1977 and the first half of 1978, U.S. producers reduced their price on rayon staple. By October-December 1977 Avtex and Enka had rolled back their list price to $0.58 per pound. The average domestic price fell from $0.574 per pound in April-June 1977 to $0.557 per pound in April-May 1978. During this period Ryan held its price at * * * per pound.

Lost sales

Ryan, the sole importer of the Belgian rayon staple, sold this merchandise to three textile mills during the period January 1977-March 1978. In 1976 these firms, * * *, * * *, and * * *, had purchased the bulk of their commodity rayon staple requirements from * * *, a U.S. producer. During 1977 these mills purchased the bulk of their commodity rayon staple from Ryan. The following tabulation shows the quantity of Belgian rayon staple purchased by the aforementioned textile mills in 1977 (in pounds):

* * * * * * *

The corporate officials responsible for these purchases discussed their purchasing decisions in separate, confidential interviews with the Commission's staff. These officials agreed that price was a very important factor influencing their purchasing decisions and that U.S. producers were not willing to match Ryan's price during January-September 1977. All three purchasers mentioned quality problems they had encountered with * * * fiber. One purchaser stated that quality was as important a reason as price for his decision not to continue purchasing from * * *. They further agreed that an importer must offer some discount to compensate the buyer for the longer chain of distribution and the uncertainties involved in foreign trade. Two purchasers mentioned that * * * eventually did match Ryan's price of * * * per pound during the latter part of 1977. Two purchasers have returned to * * * as their primary source of commodity staple; one firm now buys the Swedish staple. All three purchasers were hostile toward * * * and highly critical of its past marketing practices.

APPENDIX A

TREASURY DEPARTMENT LETTERS TO THE COMMISSION CONCERNING LIFV SALES FROM BELGIUM

DECLASSIFIED - Authority NND 963216

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

RECEIVED
'78 MAY 2 PM 3:43
APR 2 1978
OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

#510

Dear Mr. Chairman:

In accordance with section 201(c) of the Antidumping Act, 1921, as amended, you are hereby advised that rayon staple fiber from Belgium is being, or is likely to be, sold at less than fair value within the meaning of the Act.

The United States Customs Service will make available to the International Trade Commission as promptly as possible the file on sales or likelihood of sales at less than fair value of rayon staple fiber subject to this determination. This file is for the Commission's use in connection with its investigation as to whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by the reason of the importation of this merchandise into the United States.

Since some of the data in this file is regarded by the Customs Service to be of a confidential nature, it is requested that the International Trade Commission consider all information therein contained for the official use of the International Trade Commission only, and not to be disclosed to others without prior clearance with the Customs Service.

Sincerely yours,

[signature]
General Counsel

The Honorable
Daniel Minchew, Chairman
U.S. International Trade Commission
Washington, D. C. 20436

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THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

21 JUL 1978 24 P 2:10

Dear Mr. Chairman:

This is to advise you that the Treasury has reconsidered the basis for its fair value comparisons in the antidumping investigation involving viscose rayon staple fiber from Belgium, and that as a result of this reconsideration the weighted average margin in this case as reported in the Treasury's "Determination of Sales at Less Than Fair Value" has been amended. In its "Determination of Sales at Less Than Fair Value", the Treasury reported a weighted average margin based on all sales compared of 6.7 percent. That margin had been calculated by comparing purchase prices to the United States to "fair value" established from home market sales. Based upon further investigation, the Department has now concluded that all home market sales during the period of investigation were made at prices less than the cost of producing the merchandise and cannot be used to establish "fair value." By disregarding those home market prices, but lacking information with respect to sales by the Belgian firm under investigation to third countries, constructed value has been determined to be the appropriate basis for calculating the fair value of the merchandise. Accordingly, you are hereby advised that the margins found with respect to viscose rayon staple fiber from Belgium have been revised. The appropriate weighted average margin has now been calculated to be 57.6 percent.

I apologize for any inconvenience the late arrival of this information may have caused the Commission and its staff, and hope there is sufficient time for the Commission to take this information into account in its deliberations.

Sincerely,

Henry C. Stockell, Jr.
Acting General Counsel

The Honorable
Joseph O. Parker, Chairman
U.S. International Trade
Commission
Washington, D.C. 20436

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APPENDIX B

U.S. INTERNATIONAL TRADE COMMISSION NOTICES CONCERNING RAYON STAPLE FIBER FROM BELGIUM

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-181]

RAYON STAPLE FIBER FROM BELGIUM

Notice of Investigation and Hearing

Having received advice from the Department of the Treasury on May 2, 1978, that rayon staple fiber from Belgium is being, or is likely to be, sold at less than fair value, the United States International Trade Commission on May 15, 1978, instituted investigation No. AA1921-181 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), to determine whether an industry in the United States is being, or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Hearing. A public hearing in connection with the investigation will be held on Tuesday, June 20, 1978, in the Commission's Hearing Room, United States International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 9:30 a.m., e.d.t. All persons shall have the right to appear in person or by counsel, to present evidence and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, shall be filed with the Secretary of the Commission, in writing, not later than noon, Thursday, June 15, 1978.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: May 15, 1978

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

RAYON STAPLE FIBER FROM BELGIUM

Notice of New Investigation (AA1921-186)

Termination of Prior Investigation (AA1921-181)

An investigation (AA1921-181) was commenced on May 19, 1978 (43 F.R. 21740). The Secretary of the Treasury on July 28, 1978 (43 F.R. 32915) reconsidered the basis for his fair value comparisons in the antidumping investigation involving viscose rayon staple fiber from Belgium that is being, or is likely to be, sold at less than fair value, and, as a result of his reconsideration, he has modified his determination of May 1, 1978 (43 F.R. 18619) such that the weighted average margin with respect to the class or kind of articles that are the subject of the above investigation is increased from 6.7 percent to 57.6 percent.

Having received new and substantially different advice from the Secretary of the Treasury with regard to the importation of rayon staple fiber from Belgium, it is obvious that for the Commission to make a determination based upon the original advice of the Secretary would be or might be a mistake of fact. There is not enough time before this investigation would run against the statutory time limit to give interested persons an opportunity to comment

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upon the change, which is not only a right guaranteed to them by the Antidumping Act itself, but perhaps also by considerations of due process. We must therefore afford interested parties opportunity to comment, notwithstanding the statutory time limits. Moreover, the Secretary appears to have given us a new determination that effectively vacates all or at least a portion of his prior advice to the Commission, justifying a termination of the present investigation and instituting a new investigation. We determine, therefore, that our investigation into injury to the domestic industry based upon the margin reported on May 1, 1978, is now moot.

The Commission held a hearing in the investigation No. AA1921-181 on June 20, 1978, and received evidence from and the views of the domestic producers, the importer, and the Belgian producer. Inasmuch as the new determination of the Treasury involves solely a change in the weighted average margin, the Commission is particularly interested that written comments address this matter. The written statements and transcript of the hearing from the prior investigation will remain relevant to the Commission's determination in the new investigation.

The United States International Trade Commission, therefore, on August 25, 1978:

1. Terminated investigation No. AA1921-181, instituted on May 19, 1978, (43 F.R. 21740), under section 201(a) of the Antidumping Act, 1921, as amended, (19 U.S.C. 160(a)) without any determination because of the intervening advice from the Secretary;

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2. Instituted a new investigation (AA1921-186) to determine whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation into the United States from Belgium of rayon staple fiber. The title of the new investigation will be the same as the investigation No. AA1921-181; and,

3. Determined that there does not at this time appear to be good and sufficient reason to hold a new public hearing in the investigation; however, in accordance with 19 C.F.R. 208.4, any interested party who believes that a public hearing should be held, may, within ten days after the date of publication of this notice, submit a request in writing to the Secretary of the Commission and the reason for such request.

The Commission intends to expedite the investigation in this case, and to complete the investigation and make its determination within thirty days after the date this notice is published in the Federal Register. Parties wishing to submit written statements should therefore submit them in a timely manner, at the latest fourteen days after the date this notice is published in the Federal Register.

By order of the Commission.

KENNETH R. MASON
Secretary

Issued: August 3, 1978

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

RAYON STAPLE FIBER FROM BELGIUM

Correction of Notice of New Investigation
[AA1921-186] and Termination of Prior
Investigation [AA1921-181]

Notice is hereby given that the date specified for Commission action in the above investigation is incorrect. The date of Commission action, published August 8, 1978 (43 F.R. 35122), was given as August 25, 1978. The correct date is July 25, 1978.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: August 11, 1978

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APPENDIX C

TREASURY DEPARTMENT NOTICES ON RAYON STAPLE FIBER FROM BELGIUM AS PUBLISHED IN THE FEDERAL REGISTER

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM BELGIUM

Antidumping Proceeding Notice

AGENCY: Treasury Department.

ACTION: Initiation of antidumping investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Belgium are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: This investigation will begin on July 22, 1977.

FOR FURTHER INFORMATION CONTACT:

Barbara Victor, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone (202-566-5492).

SUPPLEMENTARY INFORMATION: On June 17, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc.,

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Valley Forge, Pennsylvania, a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Belgium is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber in noncontinuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States. This evidence indicates that imports of viscose rayon staple fiber from Belgium commenced during the later part of 1976, and significantly expanded their portion of the U.S. market during the first quarter of 1977. Further, there is information indicating that the margin by which domestic producers are being undersold by Belgian imports would be virtually eliminated were the price differential between prices in the Austrian home market and for export to the United States eliminated.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold for exportation to the United States are less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

HENRY C. STOCKELL, Jr.,
Acting General Counsel
of the Treasury.

JULY 18, 1977.

[FR Doc.77-21028 Filed 7-21-77;8:45 am]

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[4810-22]

VISCOSE RAYON STAPLE FIBER FROM BELGIUM

Antidumping; Withholding of Appraisement

AGENCY: U.S. Treasury Department.

ACTION: Withholding of appraisement.

SUMMARY: This notice is to advise the public that an antidumping investigation has resulted in a tentative determination that viscose rayon staple fiber from Belgium is being sold at less than fair value within the meaning of the Antidumping Act, 1921. Sales at less than fair value generally occur when the price of merchandise sold for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries. Appraisement for the purpose of determining the proper duties applicable to entries of this merchandise will be suspended for 6 months. Interested parties are invited to comment on this action not later than February 22, 1978.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

William Trujillo, Operations Officer, Office of Operations, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On June 17, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., alleging that viscose rayon staple fiber from Belgium is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). An "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of July 22, 1977 (42 FR 37610-11). The "Antidumping Proceeding Notice" indicated that there was evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States.

It has been determined that a modification of the "class or kind" of merchandise used in the "Antidumping Proceeding Notice" is appropriate. The merchandise covered by this determination is "viscose rayon staple fiber, except solution dyed, in noncontinuous form, not carded, not combed, and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments)."

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TENTATIVE DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of the information developed in the Customs investigation and for the reasons noted below, pursuant to section 201(b) of the Act (19 U.S.C. 160(b)), I hereby determine that there are reasonable grounds to believe or suspect that the purchase price of viscose rayon staple fiber from Belgium is less than the fair value, and thereby the foreign market value, of such or similar merchandise.

STATEMENT OF REASONS ON WHICH THIS TENTATIVE DETERMINATION IS BASED

(a) *Scope of Investigation.* It appears that 100 percent of imports of the subject merchandise from Belgium were sold for export to the United States by S.A. Fabelta H.V. (Fabelta). The investigation was therefore limited to sales by Fabelta.

(b) *Basis of Comparison.* For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison appears to be between purchase price and home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162) was used since all export sales by Fabelta were made to a nonrelated importer in the United States. Home market price, as defined in § 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis for comparison.

In accordance with § 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning sales to the United States and in the home market during the period February 1 through July 31, 1977.

(c) *Purchase Price.* For the purpose of this tentative determination of sales at less than fair value, purchase price has been calculated on the basis of the f.o.b. Antwerp price to the U.S. importer, adjusted for inland freight and loading costs.

(d) *Home Market Price.* For purposes of this tentative determination, the home market price has been calculated on the basis of the ex-factory price to an unrelated Belgian dealer who operates at the same level of trade as the U.S. importer. Purchases of the subject merchandise by the dealer constituted 19 percent of total home market sales by Fabelta in the investigatory period, considered an adequate basis for fair value comparisons.

Adjustments have been made for discounts granted on home market sales, differences in the merchandise sold to the United States and in the home market and differences in credit costs in the two markets. Claims for adjustments for expenditures on insurance and technical assistance in the home market have been rejected because it does not appear that these costs were incurred on the specific sales under investigation.

(e) *Results of Fair Value Comparisons.* Using the above criteria, comparisons were made on 100 percent of the sales of the subject merchandise to the United States during the period of investigation. Those comparisons indicated that the purchase price of viscose rayon staple fiber was less than the home market price of such or similar merchandise. A margin of approximately 6.7 percent was found on all sales compared.

Accordingly, Customs officers are being directed to withhold appraisement of viscose rayon staple fiber from Belgium in accordance with § 153.48, Customs Regulations (19 CFR 153.48).

In accordance with § 153.40, Customs Regulations (19 CFR 153.40), interested persons may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any requests that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 1301 Constitution Avenue NW., Washington, D.C. 20229, in time to be received by his office not later than February 2, 1978. Such requests must be accompanied by a statement outlining the issues wished to be discussed.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received by his office not later than February 13, 1978. All persons submitting written views or arguments should avoid repetitious and merely cumulative material. Counsel for the petitioner and respondent are requested to serve all written submissions on all other counsel and to file their submissions with the Commissioner of Customs in 10 copies.

This notice, which is published pursuant to § 153.36(b), Customs Regulations (19 CFR 153.36(b)), shall become effective on January 23, 1978. It shall cease to be effective at the expiration of July 23, 1978 unless previously revoked.

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

JANUARY 17, 1978.

[FR Doc. 78-1827 Filed 1-20-78; 8:45 am]

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for a determination of possible injury to a United States industry.

EFFECTIVE DATE: May 1, 1978.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, Operations Officer, Office of Operations, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On June 17, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa. alleging that viscose rayon staple fiber from Belgium is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921 as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). An "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of July 22, 1977 (42 FR 37610-11). The "Antidumping Proceeding Notice" indicated that there was evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States. A "Withholding of Appraisement" notice was published in the FEDERAL REGISTER of January 23, 1978, (43 FR 3233) for a 6-month period.

The merchandise covered by this determination is "viscose rayon staple fiber, except solution dyed, in non-continuous form, not carded, not combed, and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments)."

DETERMINATION OF SALES AT LESS THAN FAIR VALUE:

On the basis of the information developed in the Customs investigation and for the reasons noted below, pursuant to section 201(b) of the Act (19 U.S.C. 160(b)), I hereby determine that the purchase price of viscose rayon staple fiber from Belgium is less than the fair value, and thereby the foreign market value, of such or similar merchandise.

STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED:

a. *Scope of investigation.* It has been determined 100 percent of imports of the subject merchandise from Belgium were sold for export to the United States by S.A. Fabelta N.V. (Fabelta). The investigation was therefore limited to sales by Fabelta.

b. *Basis of comparison.* For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the

[4810-22]

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM BELGIUM

Antidumping; Determination of Sales at Less Than Fair Value

AGENCY: U.S. Treasury Department.

ACTION: Determination of sales at less than fair value.

SUMMARY: This notice is to advise the public that an antidumping investigation has resulted in a determination that viscose rayon staple fiber from Belgium is being sold at less than fair value within the meaning of the Antidumping Act, 1921. Appraisement for the purpose of determining the proper duties applicable to entries of this merchandise was previously suspended for six months. Interested parties were invited to comment on that action. The case is being referred to the International Trade Commission

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proper basis of comparison has been determined to be between purchase price and home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162) was used since all export sales by Fabelta were made to a non-related importer in the United States. Home market price, as defined in §153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis for comparison.

In accordance with §153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning sales to the United States and in the home market during the period February 1, through July 31, 1977.

c. *Purchase price.* For the purpose of this determination of sales at less than fair market value, purchase price has been calculated on the basis of the f.o.b. Antwerp price to the United States importer, adjusted for inland freight and loading costs.

d. *Home market price.* For purposes of this determination, the home market price has been calculated on the basis of the ex-factory price to an unrelated Belgian dealer who operates at the same level of trade as the U.S. importer. Purchases of the subject merchandise by the dealer constituted 19 percent of total home market sales by Fabelta in the investigatory period, and were determined to be an adequate basis for fair value comparisons.

Adjustments have been made for discounts granted on home market sales, differences in the merchandise sold to the United States and in the home market and differences in credit costs in the two markets. Claims for adjustments for expenditures on insurance and technical assistance in the home market have been rejected because it does not appear that these costs were incurred on the specific sales under investigation.

A claim was made by the petitioner that a discount in the home market should be disallowed since it was based in part upon "customer loyalty". It is Treasury policy to adjust for discounts granted on either home market sales or export sales to the United States if it is verified that such discounts were in fact granted in the alleged amounts. Having found that this discount was granted on the home market sales used for fair value comparisons, the claim made by petitioner has been rejected and an adjustment to home market price granted for this discount.

Following publication of the Tentative Determination in this case an additional claim was made that Fabelta's home market sales had been made at less than the cost of producing the merchandise, invoking section 205(b) of the Act (19 U.S.C. 164(b)). This allegation is currently being investigated. Should this investigation establish that some or all home market sales must be disregarded and that another basis (i.e., third country sales prices or constructed value) for determining fair value must be used, the new basis will be published and we will immediately advise the U.S. International Trade Commission of any revised LTFV margins for its consideration.

e. *Results of fair value comparisons.* Using the above criteria, comparisons were made on 100 percent of the sales of the subject merchandise to the United States during the period of investigation. Those comparisons indicated that the purchase price of viscose rayon staple fiber was less than the home market price of such or similar merchandise. A margin of 6.7 percent was found on all sales compared.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to §153.46, Customs Regulations (19 CFR 153.46).

The U.S. International Trade Commission is being advised of this determination.

This determination is being published pursuant to section 201(d) of the Act (19 U.S.C. 160(d)).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

APRIL 24, 1978.

[FR Doc. 78-11735 Filed 4-28-78; 8:45 am]

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[4810-22]

VISCOSE RAYON STAPLE FIBER FROM BELGIUM

Antidumping; Modification of Determination of Sales at Less Than Fair Value

AGENCY: U.S. Treasury Department.

ACTION: Modification of determination of sales at less than fair value.

SUMMARY: This notice is to advise the public that the "Determination of Sales at Less Than Fair Value" under the Antidumping Act, 1921, as amended, on viscose rayon staple fiber from Belgium has been reconsidered. The determination is being modified to reflect the results of this reconsideration.

EFFECTIVE DATE: July 28, 1978.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, Operations Officer, Office of Operations, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On May 1, 1978, a "Determination of Sales at Less Than Fair Value" was published in the FEDERAL REGISTER (43 FR 18819-20). That notice stated:

"Following publication of the Tentative Determination, an additional claim was made that Fabelta's home market sales had been made at less than the cost of producing the merchandise, invoking section 206(b) of the act (19 U.S.C. 164(b)). This allegation is currently being investigated. Should this investigation establish that some or all home market sales must be disregarded and that another basis (i.e., third country sales prices or constructed value) for determining fair value must be used, the new basis will be published and we will immediately advise the U.S. International Trade Commission of any revised LTFV margins for its consideration."

Information requested from Fabelta with respect to the cost of production of this merchandise and the prices charged by Fabelta in sales to third countries has not been received. It has therefore been concluded that a determination whether such home market sales have occurred at less than the cost of production must be made based upon the best evidence otherwise available to the Treasury Department.

The best available evidence to us of the cost of production of this merchandise in Belgium is primarily drawn from information concerning the cost of production of this merchandise by members of the American rayon staple fiber industry, with adjustments for ascertainable differences in costs of materials and direct production labor, between the United States and Western Europe, as corroborated by information from a number of sources including the Bureau of Labor Statistics and European companies affiliated with domestic producers of this merchandise. Information provided by members of the domestic industry with respect to various cost input factors for labor and raw materials have also been compared to information of the same factors submitted by an Austrian producer of such or similar merchandise during a comparable time frame which was received in a companion case concerning such merchandise from Austria and which has been verified by the Customs Service. This examination indicates that information submitted by members of the domestic industry bearing on the cost of production of this merchandise from Belgium is not unreliable.

However, a claim by petitioner that an imputed cost of invested and internally generated working capital should be included if the cost of production calculation has been rejected. Section 153.5 of the Customs regulations (19 CFR 153.5), contemplates the calculation of the cost of production by reference to costs determined in accordance with generally accepted accounting principles in the country of manufacture (unless these artificially distort the results, in which case U.S. generally accepted accounting principles may be applied). In the absence of any evidence that such imputed costs of capital would be regarded as cost of production under generally accepted accounting principles in the United States, much less in Belgium, no adjustment for these costs has been allowed.

Using the above criteria, it has been found that all of Fabelta's sales of viscose rayon staple fiber sold during the period of investigation were made at prices less than the cost of producing the merchandise. Not having received requested information from Fabelta with respect to sales of this product to third countries, the constructed value of the merchandise, as defined in section 206 of the act (19 U.S.C. 165), has been compared to the purchase price as previously calculated for purposes of making fair value comparisons, in accordance with section 153.5 of the Customs regulations (19 CFR 153.5). Comparisons were made on 100 percent of the subject merchandise to the United States during the period of investigation, and the amended weighted average margin so calculated is 37.6 percent.

Accordingly, the "Notice of Determination of Sales at Less Than Fair Value" referred to above is modified to reflect the revised reasons, bases and results of fair value comparisons set forth above.

The U.S. International Trade Commission is being advised of this determination.

This determination is being published pursuant to section 201(d) of the act (19 U.S.C. 160(d)).

Dated: July 21, 1978.

HENRY C. STOCKELL, Jr.,
Acting General Counsel
of the Treasury.

[FR Doc. 78-20804 Filed 7-27-78; 8:45 am]

APPENDIX D

TREASURY DEPARTMENT NOTICES ON RAYON STAPLE FIBER FROM AUSTRIA, FRANCE, FINLAND, ITALY, SWEDEN AS PUBLISHED IN THE FEDERAL REGISTER

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM AUSTRIA

Antidumping Proceeding Notice

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Austria are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: This investigation will begin on April 12, 1977.

FOR FURTHER INFORMATION CONTACT:

John R. Kugelman, Duty Assessment Division, United States Customs Service,, 1301 Constitution Avenue, N.W., Washington, D.C. 20229, telephone (202) 566-5492.

SUPPLEMENTARY INFORMATION: On March 3, 1977, information was received in proper form pursuant to § 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pennsylvania, a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Austria is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber in non-continuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States. This evidence indicates that imports of viscose rayon staple fiber from Austria increased dramatically during the last two years. During this time, a significant increase in U.S. market share on the part of the Austrian imports has occurred. Further, there is information indicating that the margin by which domestic producers are being undersold by Austrian imports would be completely eliminated were the price differential between prices in the Austrian home market and for export to the United States eliminated.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold for exportation to the United States are less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Custom Regulations (19 CFR 153.30).

Dated: March 31, 1977.

JOHN H. HARPER,
Acting Assistant Secretary.

[FR Doc.77-10585 Filed 4-11-77;8:45 am]

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[4810-22]

DEPARTMENT OF THE TREASURY

Office of the Secretary

VISCOSE RAYON STABLE FIBER FROM AUSTRIA

Antidumping; Withholding of Appraisement Notice

AGENCY: United States Treasury Department.

ACTION: Withholding of Appraisement.

SUMMARY: This notice is to advise the public that an antidumping investigation has resulted in a tentative determination that viscose rayon stable fiber from Austria is being sold at less than fair value. Sales at less than fair value usually occur when the price of merchandise sold for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries. Appraisement for the purpose of determining proper duties applicable to entries of this merchandise will be suspended for 6 months. Interested persons are invited to comment on this action.

EFFECTIVE DATE: October 19, 1977.

FOR FURTHER INFORMATION CONTACT:

David P. Mueller, Operations Officer, Office of Operations, Duty Assessment Division, Technical Branch, United States Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229, 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 3, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., alleging that viscose rayon staple fiber from Austria is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). This information was the subject of an "Antidumping Proceeding Notice" which was published in the FEDERAL REGISTER of April 12, 1977 (42 FR 19243). The "Antidumping Proceeding Notice" indicated that there was evidence on record concerning injury to or likelihood of injury to or prevention of establishment of an industry in the United States.

TENTATIVE DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of the information developed in the Customs' investigation and for the reasons noted below, pursuant to section 201(b) of the Act (19 U.S.C. 160 (b)), I hereby determine that there are reasonable grounds to believe or suspect that the purchase price of viscose rayon staple fiber from Austria is less than the fair value, and thereby the foreign market value, of such or similar merchandise.

STATEMENT OF REASONS ON WHICH THIS TENTATIVE DETERMINATION IS BASED

A. SCOPE OF THE INVESTIGATION

It appears that 100 percent of imports of the subject merchandise from Austria were sold for export to the United States by Chemiefaser Lenzing (Lenzing). The investigation was therefore limited to sales by Lenzing.

B. BASIS OF COMPARISON

For purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison appears to be between purchase price and home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162), was used since all export sales by Lenzing were made to a nonrelated importer in the United States. Home market price, as defined in section 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis for comparison.

In accordance with section 153.31(b), Customs Regulations (19 CFR 153.31 (b)), pricing information was obtained concerning sales to the United States and in the home market during the period November 1, 1976, through April 30, 1977.

C. PURCHASE PRICE

For the purpose of this tentative determination of sales at less than fair value, purchase price has been calculated on the basis of the ex-factory price to the United States importer, net of discounts.

D. HOME MARKET PRICE

For the purpose of this tentative determination of sales at less than fair value, the home market price has been calculated on the basis of the delivered prices to unrelated Austrian purchasers. Adjustments have been made for cash discounts, quantity discounts, inland freight costs, advertising costs, technical assistance costs, costs of resolving complaints, warranty claims, credit costs, and for differences in packing costs. A claim for an export processing discount was not allowed as the conditions attached to its payment constituted a restriction on disposition and use which affected the value of the merchandise by the amount of the discount. Claims for additional adjustments for advertising costs and other contributions have been rejected at this time for lack of sufficient documentation that they are costs directly related to the sale under consideration or were incurred on behalf of the home market purchaser.

E. RESULTS OF FAIR VALUE COMPARISONS

Using the above criteria, comparisons were made on 97 percent of the sales of the subject merchandise to the United States during the representative period. Those comparisons indicated that the purchase price of viscose rayon staple fiber was less than the home market price of such or similar merchandise. A margin of approximately 10.5 percent was found on all sales compared.

Accordingly, Customs Officers are being directed to withhold appraisement of viscose rayon staple fiber from Austria in accordance with § 153.48, Customs Regulations (19 CFR 153.48).

In accordance with § 153.40, Customs Regulations (19 CFR 153.40), interested persons may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

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Any requests that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 1301 Constitution Avenue NW., Washington, D.C. 20229, in time to be received by his office no later than October 31, 1977. Such requests must be accompanied by a statement outlining the issues wished to be discussed.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received by his office not later than November 18, 1977.

This notice, which is published pursuant to section 153.35(b), Customs Regulations (19 CFR 153.35(b)), shall become effective October 19, 1977. It shall cease to be effective at the expiration of 6 months from the date of publication unless previously revoked.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

OCTOBER 13, 1977.

[FR Doc.77-30417 Filed 10-18-77;8:45 am]

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[4810-22]

VISCOSE RAYON STAPLE FIBER FROM AUSTRIA

Discontinuance of Antidumping Investigation

AGENCY: U.S. Treasury Department.

ACTION: Discontinuance of antidumping investigation.

SUMMARY: This notice is to advise the public that it has been determined to discontinue the antidumping investigation of viscose rayon staple fiber from Austria. While prices to the United States during the period of investigation were below Austrian home market prices, the elimination of the price differential by the sole Austrian exporter, the provision of assurances of no future sales at less than fair value, and the presence of special circumstances, as detailed in the body of this notice, combine to warrant the discontinuance of the investigation.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

David P. Mueller, Duty Assessment Division, Office of Operations, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 4, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., alleging that viscose rayon staple fiber from Austria is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as the "Act"). This information was the subject of an "Antidumping Proceeding Notice" which was published in the FEDERAL REGISTER of April 12, 1977 (42 FR 19243).

A "Withholding of Appraisement" notice was published in the FEDERAL REGISTER of October 19, 1977 (42 FR 55857) with regard to viscose rayon fiber from Austria.

It has been determined that a modification of the "class or kind" of merchandise used in the "Withholding of Appraisement" notice is appropriate. The merchandise covered by this notice is "viscose rayon staple fiber, except solution dyed, in noncontinuous form, not carded, not combed, and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments)."

FINAL DISCONTINUANCE

On the basis of the information developed in the Customs' investigation, and for the reasons noted below, pursuant to §§ 153.33 (a)(3) and (e) of the Customs Regulations (19 CFR 153.33 (a)(3) and (e)), I hereby discontinue the antidumping investigation concerning viscose rayon staple fiber from Austria.

STATEMENT OF REASONS ON WHICH THIS DISCONTINUANCE IS BASED

(a) *Scope of the investigation.* All known imports of viscose rayon staple fiber from Austria were manufactured by Chemiefaser Lenzing AG (Lenzing). Therefore the investigation was limited to this manufacturer.

(b) *Basis of comparison.* For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison is between purchase price and home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162), was used since all export sales by Lenzing were made to an unrelated importer in the United States. Home market price, as defined in § 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis for comparison.

In accordance with § 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning sales to the United States and in the home market during the period November 1, 1976, through April 30, 1977.

(c) *Purchase price.* For the purposes of this discontinuance, purchase price has been calculated on the basis of the ex-factory price to the U.S. importer, net of discounts.

(d) *Home market price.* For the purposes of this discontinuance, the home market price has been calculated on the basis of the delivered prices to unrelated Austrian purchasers. Adjustments have been made for cash discounts, quantity discounts, inland freight costs, advertising costs, technical assistance costs, costs of resolving complaints, warranty claims, credit costs, and for differences in packing costs. A claim for an export processing discount was not allowed since it has been determined that the conditions attached to its payment constituted a restriction on the disposition and use which affected the value of the merchandise by the amount of the discount. A claim for salaries paid to Lenzing personnel in providing technical assistance to customers and resolving complaints was disallowed as it could not be demonstrated that the expenses incurred were related to any particular sale or group of sales. Claims for additional adjustments for advertising costs and contributions to a trade institute have been disallowed as these expenses do not bear a direct relationship to the sales under consideration, and they could not be considered to have been incurred on behalf of the purchasers.

(e) *Results of fair value comparisons.* Using the above criteria, comparisons were made on all of the sales of the subject merchandise to the United States during the representative period. Those comparisons indicated that the purchase price of viscose rayon staple fiber was less than the home market price of such or similar merchandise.

It has been determined that all differences between home market price and purchase price would have been eliminated if an adjustment for the export processing discount had been allowed. In a prior antidumping investigation involving this product from Austria in 1961, an adjustment was granted to Lenzing's home market prices for this discount and a "Determination of No Sales at Less Than Fair Value" was issued (26 FR 6276). Lenzing has operated since that time under the assumption that an adjustment for this discount would be made in any future investigation under section 201(a) of the Act. Upon notification at the time of the tentative determination in the instant case that Treasury had changed its interpretation regarding this discount, Lenzing eliminated the export processing discount, thereby eliminating all price differentials between home market price and purchase price. Formal assurances were submitted through counsel that no future sales at less than fair value within the meaning of the Act would be made.

The order issued October 19, 1977, to withhold appraisement on the subject merchandise from Austria, the notice of which is cited above, is hereby terminated, effective on January 23, 1978.

This notice is published pursuant to § 153.33(c), Customs Regulations (19 CFR 153.33(c)).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

JANUARY 17, 1978.

[FR Doc. 78-1822 Filed 1-20-78; 8:45 am]

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[4810-22]

DEPARTMENT OF THE TREASURY

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM AUSTRIA

Antidumping; Reopening of Discontinued Investigation

AGENCY: U.S. Treasury Department.

ACTION: Reopening of discontinued antidumping investigation.

SUMMARY: This notice is to advise the public that it has been determined that the discontinued antidumping proceeding concerning viscose rayon staple fiber from Austria should be reopened. The proceeding is being reopened to complete a detailed analysis of the production costs of the sole Austrian exporter in order to determine if sales in the home market are being made at prices below the cost of production. A preliminary analysis already conducted had not revealed that such below cost sales are in fact being made, but additional inquiry is necessary before any final conclusions can be reached with regard to this issue.

EFFECTIVE DATE: March 7, 1978.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On January 23, 1978, a notice of "Discontinuance of Antidumping Investigation" with respect to viscose rayon staple fiber from Austria was published in the FEDERAL REGISTER (43 FR 3234-3235). That notice states in part:

> It has been determined that all differences between home market price and purchase price would have been eliminated if an adjustment for the export processing discount had been allowed. In a prior antidumping investigation involving this product from Austria in 1961, an adjustment was granted to Lenzing's (the sole Austrian exporter in the present case) home market prices for this discount and a "Determination of No Sales at Less Than Fair Value" was issued (26 FR 6276). Lenzing has operated since that time under the assumption that an adjustment for this discount would be made in ay future investigation under section 201(a) of the Act. Upon notification at the time of the Tentative Determination in the instant case that Treasury had changed its interpretation regarding this discount, Lenzing eliminated the export processing discount, thereby eliminating all price differentials between home market price and purchase price. Formal assurances were submitted through counsel that no future sales at less than fair value within the meaning of the (Antidumping) Act would be made.

On January 23, 1978, information was received from counsel on behalf of Avtex Fibers, Inc., Valley Forge, Pa. requesting that the Treasure Department reopen this investigation and issue a simultaneous "Withholding of Appraisement." The request was based upon the allegation that the lower home market price for viscose rayon staple fiber which Lenzing adopted when it eliminated the export processing discount was below the cost of production as defined in section 205(b) of the Antidumping Act, 1921, as amended (19 U.S.C. 164(b)) (hereinafter referred to as "the Act"). Based upon this information, petitioner requests that home market prices be disregarded and that constructed value be used for fair value comparisons to determine whether or not the merchandise in question is or is likely to be sold at less than fair value.

Based upon a preliminary on-site verification and analysis of a submission by Lenzing with respect to its cost of producing viscose rayon staple fiber, it has been determined that it would be inappropriate to reopen this investigation and simultaneously issue a "Withholding of Appraisement." This preliminary analysis did not reveal the apparent existence of below cost sales. However, the investigation is being reopened to enable the U.S. Customs Service to conduct a thorough analysis of Lenzing's production costs, according to the information gathering and verification procedures followed in antidumping cases. A determination will then be made whether home market sales have been made at prices below the cost of producing that merchandise pursuant to § 153.5 of the Customs regulations (19 CFR 153.5) and if there are sales at less than the cost of production, whether there are or are likely to be sales to the United States at less than fair value.

The reopened investigation will allow the Treasury to explore this new issue, which arose, in part, as a result of the Treasury's determination to discontinue the original investigation on the basis of the respondents adjustments to home market price to eliminate previously existing dumping margins. A determination will be announced as expeditiously as possible but in any event within the time limits specified in section 201(b)(1) of the Act.

This notice is being published pursuant to the provisions of § 153.23(g) of the Customs regulations (19 CFR 153.23(g)).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

MARCH 1, 1978.

[FR Doc. 78-5852 Filed 3-6-78; 8:45 am]

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[4810-22]

DEPARTMENT OF THE TREASURY

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM FRANCE

Antidumping Proceeding

AGENCY: United States Treasury Department.

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ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from France are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended.

EFFECTIVE DATE: May 5, 1978.

FOR FURTHER INFORMATION CONTACT:

Michael E. Crawford, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 28, 1978, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from France is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber, except solution dyed, in non-continuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

Margins of dumping are alleged which, based on a comparison of sales to the U.S. to sales in the home market, range from 13 percent to 16 percent. Petitioner has alleged, however, that sales in France of viscose rayon staple fiber are being made at prices below the cost of production as defined in section 205(b) of the Act (19 USC 164). A comparison of sales to the U.S. and the constructed value of rayon staple fiber in France as calculated and alleged by petitioner yields possible dumping margins from 64 percent to 67 percent. Treasury's investigation will seek to determine whether French home market sales are being made at prices below the cost of production as defined in section 205(b) and, if so, will disregard such sales in the calculation of foreign market value. If insufficient sales, either in the home market or to countries other than the U.S., remain at not less than the cost of production, then constructed value will be employed as a basis of fair value.

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States that produces viscose rayon staple fiber. This information indicates that: imports of viscose rayon staple fiber from France are underselling domestic manufacturers by margins that are completely accounted for by the alleged dumping margins. Petitioner has supplied information indicating that it has incurred significant losses from 1975-1977, that it has been operating at far below operating capacity over the same period and that it has been unable to raise its prices due to lower priced imports.

Imports of viscose rayon staple fiber from France increased in both absolute and relative terms in 1977 compared to 1976. In addition, Treasury is simultaneously initiating three antidumping investigations with regard to this product from Finland, Italy, and Sweden and is presently conducting an antidumping investigation of this product from Austria. Imports from Belgium of this product were also recently subjected to an antidumping investigation in which a "Determination of Sales at Less Than Fair Value" was published in the FEDERAL REGISTER on May 1, 1978 (43 FR 18619).

The cumulative effect of imports of a single fungible product from more than one country must, when appropriate, be considered in assessing the injurious effects of alleged "less than fair value" imports. When imports from France are cumulated with those alleged to exist from Finland, Italy, Sweden, Austria and Belgium, the level of import penetration is approximately 10 percent of current U.S. consumption. Accordingly, based upon available information of injury resulting from sales at less than fair value, no "substantial doubt" of injury exists and no reference of this case to the ITC will be made.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to section 153.30 of the Customs Regulations (19 CFR 153.30).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

APRIL 28, 1978.

[FR Doc. 78-12270 Filed 5-4-78; 8:45 am]

[4810-22]

VISCOSE RAYON STAPLE FIBER FROM FINLAND

Antidumping Proceeding

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Finland are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended.

EFFECTIVE DATE: May 5, 1978.

FOR FURTHER INFORMATION CONTACT:

Michael E. Crawford, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 28,1978, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa. a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Finland is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber, except solution dyed, in non-continuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

Margins of dumping are alleged which, based on a comparision of sales to the United States to sales in the home market, range from 20 percent to 23 percent. Petitioner has alleged, however, that sales in Finland of viscose rayon staple fiber are being made at prices below the cost of production as defined in section 205(b) of the Act (19 U.S.C. 164). A comparison of sales to the United States and the constructed value of rayon staple fiber in Finland as calculated and alleged by petitioner yields possible dumping margins from 57 percent to 61 percent. Treasury's investigation will seek to determine whether Finnish home market sales are being made at prices below the cost of production as defined in section 205(b) and, if so, will disregard such sales in the calculation

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of foreign market value. If insufficient sales, either in the home market or to countries other than the United States, remain at not less than the cost of production, then constructed value will be employed as a basis of fair value.

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States that produces viscose rayon staple fiber. This information indicates that imports of viscose rayon staple fiber from Finland are underselling domestic manufacturers by margins that are completely accounted for by the alleged dumping margins. Petitioner has supplied information indicating that it has incurred significant losses from 1975–1977, that it has been operating at far below operating capacity over the same period and that it has been unable to raise its prices due to lower priced imports.

Imports of viscose rayon staple fiber from Finland increased in both absolute and relative terms in 1977 compared to 1976. In addition, Treasury is simultaneously initiating three antidumping investigations with regard to this product from France, Italy and Sweden and is presently conducting an antidumping investigation of this product from Austria. Imports from Belgium of this product were also recently subjected to an antidumping investigation in which a "Determination of Sales at Less Than Fair Value" was published in the FEDERAL REGISTER on May 1, 1978 (43 FR 18619).

The cumulative effect of imports of a single fungible product from more than one country must, when appropriate, be considered in assessing the injurious effects of alleged "less than fair value" imports. When imports from Finland are cumulated with those alleged to exist from France, Italy, Sweden, Austria and Belgium, the level of import penetration is approximately 10 percent of current U.S. consumption. Accordingly, based upon available information of injury resulting from sales at less than fair value, no "substantial doubt" of injury exists and no reference of this case to the ITC will be made.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

APRIL 28, 1978.

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

[FR Doc. 78-12273 Filed 5-4-78; 8:45 am]

[4810-22]

VISCOSE RAYON STAPLE FIBER FROM ITALY

Antidumping Proceeding

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Italy are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended.

EFFECTIVE DATE: May 5, 1978.

FOR FURTHER INFORMATION CONTACT:

Michael E. Crawford, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 28, 1978, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Italy is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber, except solution dyed, in non-continuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

Margins of dumping are alleged which, based on a comparison of sales to the United States to sales in the home market, range from 17 percent to 20 percent. Petitioner has alleged, however, that sales in Italy of viscose rayon staple fiber are being made at prices below the cost of production as defined in section 205(b) of the Act (19 USC 164). A comparison of sales to the U.S. and the constructed value of rayon staple fiber in Italy as calculated and alleged by petitioner yields possible dumping margins from 59 percent to 63 percent. Treasury's investigation will seek to determine whether Italian home market sales are being made at prices below the cost of production as defined in section 205(b) and, if so, will disregard such sales in the calculation of foreign market value. If insufficient sales, either in the home market or to countries other than the United States, remain at not less than the cost of production, then constructed value will be employed as a basis of fair value.

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States that produces viscose rayon staple fiber. This information indicates that imports of viscose rayon staple fiber from Italy are underselling domestic manufacturers by margins that are completely accounted for by the alleged dumping margins. Petitioner has supplied information indicating that it has incurred significant losses from 1975–1977, that it has been operating at far below operating capacity over the same period and that it has been unable to raise its prices due to lower priced imports.

Imports of viscose rayon staple fiber from increased in both absolute and relative terms in 1977 compared to 1976. In addition, Treasury is simultaneously initiating three antidumping investigations with regard to this product from Finland, France and Sweden and is presently conducting an antidumping investigation of this product from Austria. Imports from Belgium of this product were also recently subjected to an antidumping investigation in which a "Determination of Sales at Less Than Fair Value" was published in the FEDERAL REGISTER on May 1, 1978 (43 FR 18619).

The cumulative effect of imports of a single fungible product from more than one country must, when appropriate, be considered in assessing the injurious effects of alleged "less than fair value" imports. When imports from Italy are cumulated with those alleged to exist from Finland, France, Sweden, Austria and Belgium, the level of import penetration is approximately 10 percent of current U.S. consumption. Accordingly, based upon available information of injury resulting from sales at less than fair value, no "substantial doubt" of injury exists and no reference of this case to the ITC will be made.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

BEST DOCUMENT AVAILABLE

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

APRIL 28, 1978.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[FR Doc. 78-12271 Filed 5-4-78; 8:45 am]

[4810-22]

VISCOSE RAYON STAPLE FIBER FROM SWEDEN

Antidumping Proceeding

AGENCY: U.S. Treasury Department.

ACTION: Initiation of antidumping investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Sweden are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended.

EFFECTIVE DATE: May 5, 1978.

FOR FURTHER INFORMATION CONTACT:

Michael E. Crawford, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On March 28, 1978, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pa., a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Sweden is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayrn staple fiber, except solution dyed, in noncontinuous form, not carded, not combed, and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

Margins of dumping are alleged which, based on a comparison of sales to the United States to sales in the home market, range from 13 percent to 18 percent. Petitioner has alleged, however, that sales in Sweden of viscose rayon staple fiber are being made at prices below the cost of production as defined in section 205(b) of the Act (19 U.S.C. 164). A comparison of sales to the United States and the constructed value of rayon staple fiber in Sweden as calculated and alleged by petitioner yields possible dumping margins from 60 percent to 64 percent. Treasury's investigation will seek to determine whether Swedish home market sales are being made at prices below the cost of production as defined in section 205(b) and, if so, will disregard such sales in the calculation of foreign market value. If insufficient sales, either in the home market or to countries other than the United States, remain at not less than the cost of production, then constructed value will be employed as a basis of fair value.

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States that produces viscose rayon staple fiber. This information indicates that imports of viscose rayon staple fiber from Sweden are underselling domestic manufacturers by margins that are completely accounted for by the alleged dumping margins. Petitioner has supplied information indicating that it has incurred significant losses from 1975-1977, that it has been operating at far below operating capacity over the same period and that it has been unable to raise its prices due to lower priced imports.

Imports of viscose rayon staple fiber from Sweden increased in both absolute and relative terms in 1977 compared to 1976. In addition, Treasury is simultaneously initiating three antidumping investigations with regard to this product from Finland, France, and Italy and is presently conducting an antidumping investigation of this product from Austria. Imports from Belgium of this product were also recently subjected to an antidumping investigation in which a "Determination of Sales at Less Than Fair Value" was published in the FEDERAL REGISTER on May 1, 1978 (43 FR 18619).

The cumulative effect of imports of a single fungible product from more than one country must, when appropriate, be considered in assessing the injurious effects of alleged "less than fair value" imports. When imports from Sweden are cumulated with those alleged to exist from Finland, France, Italy, Austria, and Belgium, the level of import penetration is approximately 10 percent of current U.S. consumption. Accordingly, based upon available information of injury resulting from sales at less than fair value, no "substantial doubt" of injury exists and no reference of this case to the ITC will be made.

Having conducted a summary investigation as required by § 153.29 of the Customs regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs regulations (19 CFR 153.30).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

APRIL 28, 1978.

[FR Doc. 78-12272 Filed 5-4-78; 8:45 am]

APPENDIX E

STATISTICAL TABLES

Table 1.--Rayon staple fiber: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1973-77, January-March 1977; and January-March 1978

Year	Producers' shipments	Imports 1/	Exports	Apparent consumption	Ratio of imports to consumption
	Million pounds	Million pounds	Million pounds	Million pounds	Percent
1973	683.3	44.2	16.9	710.6	6.2
1974	575.0	37.0	33.8	578.2	6.4
1975	373.8	37.2	20.5	390.5	9.5
1976	468.0	41.5	34.8	474.7	8.7
1977	483.3	54.1	59.4	478.0	11.3
January-March:					
1977	120.7	13.9	7.6	127.0	10.9
1978	123.2	13.5	12.6	124.1	10.9

1/ Imports may include small quantities of acetate staple fiber.

Source: U.S. producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; U.S. imports compiled from official statistics of the U.S. Department of Commerce.

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Table 2.--Rayon, cotton, polyester, and other manmade fibers: Apparent U.S. consumption, 1960-77

(In million of pounds)

Year	Rayon		Cotton staple	Polyester		Other manmade fibers
	Staple 1/	Yarn 2/		Staple 3/	Yarn 3/	
1960	369.8	401.8	4,196	64.0	37.6	511.8
1961	476.0	385.2	4,108	70.9	36.1	607.2
1962	546.3	284.6	4,192	115.3	38.1	744.7
1963	690.4	380.7	4,029	150.7	48.9	875.9
1964	682.5	399.6	4,287	177.5	63.6	1,093.1
1965	705.1	409.3	4,453	290.4	77.2	1,325.7
1966	741.9	389.6	4,621	372.1	81.4	1,521.4
1967	706.6	311.1	4,414	537.2	133.0	1,647.2
1968	839.6	353.5	4,104	756.1	226.7	2,095.5
1969	824.1	294.7	3,973	883.3	353.6	2,100.7
1970	672.7	251.1	3,774	992.9	433.0	2,117.3
1971	721.2	297.0	3,965	1,111.4	636.8	2,643.7
1972	740.0	246.9	3,850	1,286.9	935.4	3,158.8
1973	742.2	197.6	3,643	1,530.3	1,320.5	3,524.2
1974	572.2	153.1	3,306	1,388.1	1,295.2	3,074.9
1975	391.1	74.9	3,069	1,973.6	1,477.0	2,926.7
1976	468.6	65.1	3,389	1,777.2	1,373.9	3,146.4
1977	440.5	68.1	3,174	1,880.3	1,510.6	3,587.5

1/ Includes some tow.
2/ Includes some rayon yarn which is exported.
3/ Includes some polyester which is exported.

Source: Compiled from statistics of the Textile Organon.

Note.--Statistics relating to apparent U.S. consumption which are used in the text of this report were compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Such data may differ from those presented in the above table.

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Table 3.--Rayon staple fiber: Apparent U.S. consumption, imports from Belgium, imports from Austria, and total U.S. imports, 1973-77, January-March 1977, and January-March 1978

Period	Apparent consumption	Imports from Belgium	Imports from Austria	Total U.S. imports 1/	Ratio of-- (2) to (1)	Ratio of-- (3) to (1)	Ratio of-- (4) to (1)
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent	Percent
1973	710.6	0	15.2	44.2	0	2.1	6.2
1974	578.2	0	13.8	37.0	0	2.4	6.4
1975	390.5	0	25.0	37.2	0	6.4	9.5
1976	474.7	0	29.6	41.5	0	6.2	8.7
1977	478.0	6.5	27.9	54.1	1.4	5.8	11.3
Jan.-Mar.--							
1977	127.0	2.4	8.5	13.9	1.9	6.7	10.9
1978	124.1	1.4	5.5	13.5	1.1	4.4	10.9

1/ Imports may include small quantities of acetate staple fiber.

Source: Apparent consumption compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce; U.S. imports compiled from official statistics of the U.S. Department of Commerce.

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Table 4.--Rayon staple fiber (TSUSA items 309.4320 and 309.4325) 1/: U.S. imports for consumption, by principal sources, 1973-77

Source	1973	1974	1975	1976	1977
	Quantity (1,000 pounds)				
Austria	15,227	13,800	25,024	29,598	27,907
Belgium	0	0	0	0	6,484
Canada	13,415	16,330	5,587	5,993	5,591
Sweden	2,056	446	435	624	4,680
France	996	519	706	477	3,750
Finland	732	0	225	772	2,119
Italy	202	1,077	418	829	1,167
All other	11,587	4,822	4,776	3,232	2,441
Total	44,215	36,994	37,171	41,525	54,139
	Value (1,000 dollars)				
Austria	4,124	5,144	9,964	11,739	12,025
Belgium	-	-	-	-	2,597
Canada	4,383	9,167	2,645	3,217	2,988
Sweden	566	190	165	244	2,117
France	552	360	495	351	1,737
Finland	200	-	121	317	914
Italy	69	521	175	325	501
All other	4,139	2,300	2,361	1,570	1,152
Total	14,033	17,682	15,926	17,763	24,031
	Unit value (cents per pound)				
Austria	27	37	40	40	43
Belgium	-	-	-	-	40
Canada	33	56	47	54	53
Sweden	28	43	38	39	45
France	55	69	70	74	46
Finland	27	-	54	41	43
Italy	34	48	42	39	43
All other	36	48	49	49	47
Average	34	50	49	48	45

1/ May include small quantities of acetate staple fiber.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table 5.--Rayon staple fiber (Schedule B item 266.3120): U.S. exports of domestic merchandise, by principal markets, 1973-77

Market	1973	1974	1975	1976	1977
	Quantity (1,000 pounds)				
Philippines	1,998	2,214	3,284	2,106	9,307
Hong Kong	104	264	1,037	619	7,844
India	0	0	0	0	7,401
Mexico	939	1,231	230	1,918	6,956
Canada	2,369	1,283	2,482	5,506	6,666
Venezuela	278	3,983	1,627	5,346	4,718
Ecuador	0	0	0	0	1,202
All other	9,834	11,731	6,542	4,216	7,999
Total	15,522	20,706	15,202	19,711	52,093
	Value (1,000 dollars)				
Philippines	659	966	1,162	842	4,601
Hong Kong	44	124	512	365	3,845
India	-	-	-	-	5,636
Mexico	309	666	145	821	3,349
Canada	1,033	754	1,512	3,016	3,901
Venezuela	80	2,342	835	2,791	1,823
Ecuador	-	-	-	-	617
All other	2,568	6,884	2,941	2,100	4,482
Total	4,693	11,736	7,107	9,935	28,254
	Unit value (cents per pound)				
Philippines	33	44	35	40	49
Hong Kong	42	47	49	59	49
India	-	-	-	-	76
Mexico	33	54	63	43	48
Canada	44	59	61	55	59
Venezuela	29	59	51	52	39
Ecuador	-	-	-	-	51
All other	26	59	45	50	56
Average	35	54	51	50	53

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Statistics used in the text of this report, relating to U.S. exports, were compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Such data may differ from those presented in the above table.

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Table 6.--Profit-and-loss experience of the 3 U.S. producers of rayon staple fiber, 1973-77 and January-March 1978

Table 6 has been deleted because it contains information received by the U.S. International Trade Commission in confidence, the disclosure of which would reveal the operations of the individual firms.

Table 7.--Rayon staple fiber: Average net selling prices received by U.S. producers and importers on sales of first quality, 1.35-1.65 denier, regular, bright viscose rayon staple fiber to U.S. textile mills, by quarters, 1973-77, and January-May 1978

(In cents per pound)

Period	U.S. Producers				Importers							
	Avtex	Courtaulds	Enka	Average	J.J. Ryan (Belgium)	Chemray (Austria)	Huxley (Finland)	Products-from-Sweden (Sweden)	Snia Viscosa (Italy)	Courtaulds (Canada)	J.J. Ryan (France)	Average
1974:												
January-March	***	***	***	40.1	***	***	***	***	***	***	***	44.1
April-June	***	***	***	48.2	***	***	***	***	***	***	***	56.0
July-September	***	***	***	51.6	***	***	***	***	***	***	***	54.9
October-December	***	***	***	55.0	***	***	***	***	***	***	***	48.0
1975:												
January-March	***	***	***	54.9	***	***	***	***	***	***	***	52.3
April-June	***	***	***	54.1	***	***	***	***	***	***	***	50.5
July-September	***	***	***	49.7	***	***	***	***	***	***	***	49.0
October-December	***	***	***	52.0	***	***	***	***	***	***	***	49.0
1976:												
January-March	***	***	***	53.0	***	***	***	***	***	***	***	50.3
April-June	***	***	***	52.9	***	***	***	***	***	***	***	50.1
July-September	***	***	***	53.2	***	***	***	***	***	***	***	50.9
October-December	***	***	***	55.6	***	***	***	***	***	***	***	51.3
1977:												
January-March	***	***	***	56.9	***	***	***	***	***	***	***	52.0
April-June	***	***	***	57.4	***	***	***	***	***	***	***	52.8
July-September	***	***	***	57.0	***	***	***	***	***	***	***	53.0
October-December	***	***	***	56.5	***	***	***	***	***	***	***	53.2
1978:												
January-March	***	***	***	55.8	***	***	***	***	***	***	***	53.4
April-May	***	***	***	55.7	***	***	***	***	***	***	***	53.5

1/ No sales during the specified period.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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